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Central Eurasia

FBIS-SOV-96-169
Thursday
29 August 1996

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Daily Report
Central Eurasia

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CIS: ITAR-TASS Carries Press Review for 29 Aug

LD2908054596 Moscow ITAR-TASS in English 0533 GMT 29 Aug 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW August 29 (ITAR-TASS) — Central newspapers highlight today the situation in Chechnya. Separatists are creating in Groznyy parallel bodies of power, which is not envisaged by the agreements, signed by Lebed and Maskhadov, Rossiyskiye Vesti writes. "Quite recetly President Boris Yeltsin himself called the restoration of constitutional order in Chechnya the sacret military duty, corageously fulfilled by soldiers of the federal army group, while today his national security assistant Aleksandr Lebed describes the same thing as 'bloody massacre and orgy,' 'the war which no one needs.'" The most incomprehensible thing for the military on the present stage of the settlement of the Chechen crisis is joint commandant's offices and patrol groups, made up hastily of soldiers of the federal army group and Chechen militants. "The ink on the recent agreement between the federal forces and the separatists had not dried yet, when the Dudayev men began to violate it: they began to create parallel power structures in Groznyy," the newspaper wrote.

Time will show whether or not the creation of joint commandant's offices will help bring down the level of confrontation, Krasnaya Zvezda writes. According to a protocol, signed on Wednesday by Vyacheslav Tikhomirov and Aslan Maskhadov, the troops withdrawal should be completed before September 1. The document envisages a simultaneous withdrawal of the federal troops and of separatist armed groups, the newspaper writes.

The continuation of the talks between Secretary of the Security Council Aleksandr Lebed and Aslan Maskhadov, one of the leaders of Chechen separatists, depends, in the first place, on a meeting between Yeltsin and Lebed or their telephone conversation. According to Lebed's press secretary Aleksandr Barkhatov, Lebed is ready to fly to Chechnya any time, but he is waiting to get the President's recommendations concerning a plan of the settlement of the Chechen crisis, delivered to his office.

Why is the president keeping a pause in his contacts with General Lebed over Chechnya? — Izvestiya asks. Why does it take Yeltsin so long to read the the already signed documents on the talks in Novye Atagi, that have been published everywhere? Why does it take him so long to make a political decision? The author of the Izvestiya article believes that the reason for it is the behind-the-stage struggle in the Kremlin, whose outcome is not yet clear. According to Izvestiya, the goal in the struggle is, unfortunately, not peace in Chechnya, but the removal of Lebed.

Three Talib guards, brought to the United Arab Emirates by the crew of the Russian IL-76 plane, who escaped from captivity on August 16, returned to Qandahar, a spokesman for the Afghan Embassy announced, adding that they had done it on their own free will. The leaders of the Taleban movement will decide what is to be done with them. They are conducting their own investigation of the circumstances of the escape from Qandahar of the Russian pilots, led by Vladimir Sharpatov.

According to reports coming from Afghanistan, six people involved in those developments were arrested there. Three of them were supposed to be on board the plane, when the Russian pilots were examining its technical condition, but they decided to have some rest in the shadow.

Kurdish militants set up a camp at a distance of a three-hour trip from the Kremlin. A Komsomolskaya Pravda correspondent managed to get there. The Solnechnoye pioneer camp near the town of Gavrilov, Yaroslavl Region, was bought by the International Union of Kurdish Public Organisations.

The Workers' Party of Kurdistan is officially banned in Turkey and German as a terrorist organisation. Starting from 1984, it has been waging an armed struggle for their national rights and the creation of a Kurdish state, claiming the lands which are now part of Turkey, Iran, Iraq and Syria, the newspaper writes.

One more malaria case, the eighth one, has been registered in Volgograd, Rossiyskaya Gazeta writes. The infection was brought to the city by a Tajik resident, who came to work for a Volgograd firm. He rented a room in a privately owned house together with two more Tajik residents. The number of people coming to Volgograd from the South is growing, and the problem is that many of them are not registered anywhere at all.

Russia: Russian Missile Tested as U.S. Training Target Missile

MM2908103896 Moscow KRASNAYA ZVEZDA in Russian 29 Aug 96 p 3

[Report by ITAR-TASS correspondent Dmitriy Antonov: "Russian Missile Becomes American...Target"]

[FBIS Translated Text] At the USAF test site at Point Mugu (California), tests have taken place of the new MA-31 remote-controlled air target, a conversion of the Russian X-31A antiship missile. According to John Reyli [as transliterated], a representative of McDonnell Douglas, which developed the MA-31 in conjunction with the Zvezda and Strela firms from the Moscow region, their brainchild "proves that cooperation between the United States and Russia in the military sphere is a reality in the period after the end of the Cold War."

During tests the target missile, launched from a U.S. Navy aircraft, descended to an altitude of 300 meters above sea level, after which at a speed 2.4 times the speed of sound it performed a series of dizzying maneuvers, sometimes dropping right down to water level. It was the MA-31's capacity to glide rapidly over the waves for a distance of more than 30 km that was noted by the American military.

The MA-31 tests were carried out within the framework of a Pentagon contract worth $4.7 million which McDonnell Douglas received in May 1995. Its provisions stipulate thorough evaluation of the potential of four different target missiles developed by foreign companies and the purchase of 20 of the best one. The U.S. Navy needs them for testing shipborne air defense systems, since the systems currently available to the U.S. fleet are unable to mimic the behavior of certain types of antiship missiles.

"The success of the MA-31 tests shows that Russian missiles can easily and successfully be converted for use in the United States for training purposes," D. Reyli stated.

Russia: PRC Delegation Arrives, To Discuss Expansion of Ties

LD2908084396 Moscow ITAR-TASS in English 0835 GMT 29 Aug 96

[By Leonid Vinogradov]

[FBIS Transcribed Text] Nakhodka, August 29 (Itar-Tass) — The Chinese city of Harbin around which four free economic zones are situated expressed the intention to establish direct economic ties with the Nakhodka free economic zone. A representative delegation of Harbin led by its Mayor Wang Guang Tao arrived here today to work out provisions on cooperation.

According to Wang Guang Tao the Chinese side will open its mission in Nakhodka and will get down to the joint work with Russian specialists on creating a transport corridor to link northern Chinese provinces with the Maritime territory.

The transport corridor is to pass through inland Heilongjiang and Jilin Provinces to reach Russian deep-water ports in the Maritime territory. Via port Hasan the Chinese side will be able to ship over 1.5 million tonnes of grain to Asia-Pacific states and through port Vostochnyy it will be able to ship up to eight million tonnes of coal and cargoes in containers.

The starting point of the transport corridor will be in Harbin and the terminus one will be in Nakhodka. This Russian port opened its mission in Harbin in July. A large delegation from Harbin arrived for the same purpose in Nakhodka. Besides Mayor Wang Guang Tao the delegation includes chiefs of the four free economic zones of Harbin.

Russia: Japanese Consul Given Note on Fishing Incursions

LD2908063896 Moscow ITAR-TASS in English 0634 GMT 29 Aug 96

[By Leonid Vinogradov]

[FBIS Transcribed Text] VLADIVOSTOK, August 29 (Itar-Tass) — Russian Pacific border district commander Colonel-General Vitaliy Sedykh today met Japanese Consul General Hiroshe Tetsuya to inform him about details of the incident involving two Japanese fishing-boats.

Sedykh said one of the boats crossed the Russian sea border at 11.30 a.m. on August 28, making an 11 cable poaching inroad into Russia's territorial waters off Tanfilyev Island.

A patrol ship of the Pacific border district through an international radio band and sound and flare pyrotechnical signals ordered the boat to stop, but it built up the speed trying to escape from Russian waters.

The patrol ship opened warning fire, and after the fishing-boat had not reacted to orders, the destructive small arms fire was opened.

The pursuit was stopped as the intruder boat entered Japan's waters.

An other Japanese boat was detected in Russian waters at 12.27 p.m. while setting crab nets.

At the approach of the patrol ship, the boat sped up ignoring radio, sound- and flare signalled commands to stop and warning fire. A precision submachine-gun fire had been used by border guards as the last mesure. The boat took advantage of its high speed and foggy weather and escaped to cross the border.

General Sedykh stressed that Russian sea border troops had previously treated humanely and patiently Japanese fishing-boats, but only for the last month they made five poaching incursions into Russian territorial waters.

The tendency of Japanese boats to invade into Russian waters for poaching has subsided in the South Kurile area in 1996, Sedykh admitted.

However, Japanese fishermen stepped up poaching raids in July and August, he said, adding that his border troops will not hesitate to use any available means to stop any further attempts at cross-border incursions.

Sedykh handed over an official letter to this effect to the Japanese consul-general.

Russia: Pacific Command Refuses To Pay Compensation to Japan

LD2908082696 Moscow ITAR-TASS in English 0810 GMT 29 Aug 96

[By Eduard Popov]

[FBIS Transcribed Text] Vladivostok, August 29 (Itar-Tass) — The command of the Pacific Frontier Guard District believes that it is not expedient to pay compensation for damage to the Japanese schooners, shelled by Russian patrol boats, and to their wounded captains. The Pacific Command regards them as poachers, who violated the Convention on the International Law of the Sea and the Russian law "On the State Border," Commander of the Pacific Frontier Guard District Colonel General Vitaliy Sedykh said today at a meeting with Hiroshe Tatsue, Japanese consul-general in Vladivostok.

Compensation was demanded in a Wednesday statement of the Japanese Foreign Ministry following the firing of two Japanese schooners by Russian patrol boats on August 28 near the South Kuril Islands. The message was delivered to the Russian Embassy in Japan.

General Sedykh said with regret that the Marine Security Department of Japan was avoiding cooperation with the Pacific Frontier Guard District in preventing the violation of the border. "In these conditions we have to act on our own and in extreme situations, when all other measures proved to be ineffective, to resort to arms. Our duty is to protect the border and the natural resources of Russia," Sedykh stressed.

Russia: Ministry Regrets Postponement of Bosnian Local Elections

LD2808123596 Moscow INTERFAX in English 1209 GMT 28 Aug 96

[FBIS Transcribed Text] Moscow, Aug 28 (Interfax) — The Russian Foreign Ministry regrets the decision of the interim electoral commission in Bosnia and Herzegovina to put off municipal elections, a Russian Foreign Ministry representative said in a statement received by Interfax on Wednesday.

The commission's decision, motivated by the absence of conditions for municipal polls, "once again clearly proves the immense difficulties relating to the peace process," the Russian diplomat said.

However, this move should not be "over-dramatized," the Russian Foreign Ministry's representative said.

"The peace agreement itself fixes elections for common authorities in Bosnia and Herzegovina and the supreme authorities of the Republika Srpska and the Muslim-Croat Federation as compulsory. It is on the holding of these elections on September 14 that the further development of the entire peace process, including the final abolishment of sanctions against the Federal Republic of Yugoslavia and Bosnian Serbs, is contingent," the diplomat said.

"These extremely important tasks dictate the need to mobilize every effort in order to organize the appropriate holding of the elections on September 14. Their disruption should not be admitted," the Russian diplomat said.

Russia: Suspects Detained in Attack on Embassy Guard in Bahrain

MM2808152496 Moscow IZVESTIYA in Russian 29 Aug 96 p 3

[Report by Gennadiy Charodeyev: "They Tried To Seize Their Weapons. To No Avail"]

[FBIS Translated Text] In Manama, capital of the State of Bahrain, as a result of successful operational and investigative operations by the local special services, two people suspected of an attack on a policeman who was guarding the Russian Embassy building (see IZVESTIYA No. 160) have been arrested.

Sergey Peskov, Russian charge d'affaires in Bahrain, told IZVESTIYA that the guard was shot at almost point-blank range with a pistol. In the pitch darkness of night the wounded man was unable to see the gangsters' faces properly. Despite the loss of blood, the policeman did not, however, lose his head and followed the criminals for some time, until they managed to flee in a car. The wounded man is now in hospital, where he has undergone an operation.

At the moment the suspects are refusing to give statements to the investigators. According to the police's initial theory, the purpose of the attack on the guard on the Russian institution was to seize his standard-issue weapons. Sergey Peskov stressed that "there was no attempt to penetrate the territory of the Russian Embassy and Consulate and none of our diplomats or members of their families was affected." The embassy is under reinforced guard by Bahraini police detachments.

Russia: Kohl Praises Russia's Moves in Chechnya; Yeltsin 'Active'

LD2808163996 Moscow INTERFAX in English 1603 GMT 28 Aug 96

[FBIS Transcribed Text] MOSCOW, Aug 28 (Interfax) — German Chancellor Helmut Kohl has expressed satisfaction with positive steps of the Russian leadership aimed at a peaceful resolution of the Chechen crisis, Russian presidential spokesman Sergey Yastrzhembskiy said, commenting on information about a planned September 7 meeting between Russian President Boris Yeltsin and Kohl.

Kohl voiced his assessment of the steps during one of his telephone conversations with Yeltsin held on August 26 and 28, Yastrzhembskiy told a briefing in the Kremlin Wednesday.

Asked about Yeltsin's health, he said that even on vacation Yeltsin remains an active president and makes all major decisions on domestic and foreign policy issues.

Yastrzhembskiy said he does not have a program of Kohl's one-day visit to Russia or of his meeting with Yeltsin, which is expected to be held in the Russian president's residence in the Moscow region. "If the president is actively preparing for the meeting with [Kohl], it means that he is in a rather good physical shape," he said.

He suggested that Russians may see Yeltsin on TV even before his meeting with Kohl but would not comment on the issue.

Yastrzhembskiy said the health of Yeltsin's wife, Naina, was improving after surgery and rehabilitative therapy is proceeding normally.

Russia: LDPR Condemns Switzerland's Denial of Visa to Zhirinovskiy

LD2908095796 Moscow INTERFAX in English 0935 GMT 29 Aug 96

[FBIS Transcribed Text] Moscow, Aug 29 (Interfax) — The Swiss authorities have denied an entry visa to Vladimir Zhirinovskiy, chairman of the Liberal Democratic Party of Russia (LDPR) faction in the Russian Duma, a representative of the Swiss Embassy in Moscow told Interfax Thursday.

"Political structures in Bern" made the decision, he said.

According to the diplomat, Zhirinovskiy demanded an explanation for the refusal. "But he was told the Swiss party does not comment on such decisions," he said.

"The Swiss authorities examine each request for an entry visa on an individual basis," he said.

"There can be a lot of reasons why this or that foreigner is denied an entry visa to Switzerland. Such decisions are an act of sovereignty and are not commented on. This is international practice," the diplomat said.

The LDPR immediately condemned the decision.

"Where is the Russian Foreign Ministry looking if a Russian parliamentarian, chairman of the most powerful political party in Russia, is refused a visa by a certain Switzerland, a trifle of a country?" says a statement of the press service of the LDPR faction in the State Duma received by Interfax.

"Switzerland is the center of the criminal world," the statement continues. "The world government nests in Switzerland (at least, some if its institutions). It organizes seminars-instructions for traitors of Russia in the Swiss city of Davos."

"The world government is taking vengeance on Zhirinovskiy, causing the Swiss gnomes to deny a prominent leader of the Russian people an entry visa due to the fact that Zhirinovskiy has exposed meetings of Russian criminals in Davos; is successively advocating an end to the pillage of Russia by the West," the press service says.

Russia: Commission Orders Further Reduction in Black Sea Fleet

LD2808195796 Moscow Radio Rossii Network in Russian 2000 GMT 28 Aug 96

[FBIS Translated Text] The commission of the Commander-in-Chief of the Russian Navy, Admiral Tikhomirov, which visited Sevastopol recently, has passed a decision on a further reduction of the Black

Sea fleet. The ARGUMENTY I FAKTY news agency was informed by sources at the fleet headquarters that by the beginning of December over 6,000 officers and warrant officers will be laid off and put on the reserve list.

Russia: Foreign Ministry Spokesman on Inter-Tajik Talks in Moscow

MM2908093196 Moscow KRASNAYA ZVEZDA in Russian 29 Aug 96 p 1

[ITAR-TASS report: "Inter-Tajik Dialogue Held in Moscow"]

[FBIS Translated Text] The Russian Foreign Ministry welcomes the constructive efforts of all interested parties aimed at achieving peace and stability in Tajikistan. This was stated by Mikhail Demurin, first deputy director of the Russian Federation Foreign Ministry Information and Press Department. "It is in this context," he noted, "that we see the meetings held in Moscow in recent days between Tajik Prime Minister Yakhye Azimov and leaders of the Tajik sociopolitical bloc 'National Rebirth.'"

The meeting in question, the diplomat went on, was organized on the initiative of the Tajik Government and the bloc's own leadership. The Russian Foreign Ministry was not directly involved as an intermediary in the holding of this event. "However, in view of Moscow's principled line on a Tajik settlement, we welcome peacemaking actions in the cause of eliminating the conflict and are prepared to give them every possible support," the official Russian Federation Foreign Ministry spokesman noted.

Russia: Latvian Parliament Declaration Seen as 'Provocation'

MM2908091196 Moscow ROSSIYSKAYA GAZETA in Russian 29 Aug 96 p 7

[Report by Vladimir Lapskiy: "Policy of Double Standards. Riga Saeima Adopts So-Called Declaration on Latvia's Occupation"]

[FBIS Translated Text] The deputies considered the occupation to have lasted for the entire Soviet period — from 1940 through 1990 — although it should be noted that during this period the Latvians were also under a Hitlerite administration for a certain time. Precise dates are not given in the document, and that was done deliberately. The fact is that otherwise many of the laws adopted during the occupation — including the 1990 law on the restoration of independence — could have been nullified.

Is the adopted declaration appropriate now? Relations between Russia and Latvia are by no means cloudless, but the storm clouds are clearly not coming from Moscow's direction. There are lots of problems. For instance, the authorities have not sorted out the issue of Russian military pensioners living in Latvia. Many Russian-speaking families — who are not treated in European fashion in the republic, to put it mildly — feel insulted and humiliated. In particular, they have lost their opportunity to obtain Russian-language higher education, and new draft laws are also abolishing Russian-language secondary schools. It is thus a question of preventing the emergence of a non-Latvian intelligentsia in Latvia. Incidentally, according to official statistics, Latvians account for 56 percent of the 2.5 million inhabitants of the republic — the rest are mainly Russian.

It is also well known that as of today relays of Russian Public Television programs to Latvia are being ended. The republic's Russian-speaking citizens have been calling this day "Black Thursday" in advance. Whereas in Europe and the rest of the world exchanges of TV programs are steadily expanding, as we can see, the Riga authorities are giving their citizens information hunger rations.

We also assessed as an unfriendly act in respect of Moscow the recent appeal by a group of Latvian parliament deputies to Prime Minister Andris Skele to recognize Chechnya. How can this be assessed? In just one way — as unceremonious interference in Moscow's internal affairs.

The declaration on Latvia's occupation once again makes territorial claims against Russia — namely for the 2,000 square kilometers "illegally annexed" in Pskov Oblast. Around 16,000 people live there. According to a census, 10 years ago Latvians accounted for 0.1 percent of the population. How can there be any question of a revision of borders in a Europe living according to the principles of the Helsinki Final Act?

The declaration, which puts Soviet soldiers on a par with Hitler's interventionists, was conceived from the very outset as a provocation against Russia. A statement issued by the Russian Foreign Ministry calls the adoption of the declaration an overt anti-Russian act in which deputies from all parties in the government coalition took part. We are essentially talking about a step unprecedented in its cynicism and aimed at creating a legal basis for forcing our fellow-countrymen out of the country. Now people officially want to dub them nothing more or less than "occupiers."

The adoption of the declaration by the Riga Saeima will inevitably affect relations between Moscow and Riga. After all, Latvian Prime Minister Andris Skele is expected to visit our capital in September, and his government has often repeated its interest in improving relations with Moscow. In dealings between people such behavior is termed hypocritical — at interstate level it is called a policy of double standards.

Political Issues

Russia: Filatov Says Yeltsin in 'Absolute Control' Even When Ill

LD2908114596 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 0550 GMT 29 Aug 96

[FBIS Translated Text] President Boris Yeltsin of the Russian Federation makes all decisions by himself alone, Sergey Filatov, former head of the presidential administration, told Ekho Moskvy radio station live on the air.

Even if the president is ill he "is in absolute control and no one can make decisions for him during this period — I can say that with absolute certainty," Sergey Filatov stressed. "All this talk about someone else making the decisions serves no purpose."

According to Sergey Filatov, "others can only draft a decision. The president has various options for each decision. Our president is unusual in this respect. Naturally, he may make mistakes, but it is absolutely clear that he will hardly make a decision without looking at the options."

Russia: Cardiologists Reportedly See No Need To Operate on Yeltsin

MK2808133496 Moscow NOVAYA GAZETA-PONEDELNIK in Russian 26 Aug 96 No. 31, (signed to press 25 Aug 1996) p 8

[Unattributed report: "Who Was in Valday?"]

[FBIS Translated Text] The numerous press services that mixed up their own statements finally agreed that President Yeltsin is vacationing in Valday.

Even so, he was given a full examination at the Yevgeniy Chazov Institute of Cardiology. According to information in our possession, after studying numerous shots of [Yeltsin's] heart, the surgeons breathed a sigh of relief: No operation needed. Put simply, the heart "throws in" the blood with the requisite force and does not require any assistance.

So the rumors of Yeltsin's "incapacity" are strongly exaggerated. "It is possible," our source noted, "that the president is looking at those who are concerned more than others about a legacy. Maybe there are those wishing to trip him up, but is it worth trying to trip a tank?" So the reports that Yeltsin "did not control" the ultimatum of his military commanders are a bluff.

Russia: Uncertainties Surrounding Yeltsin's Leave Pondered

MM2808142896 Moscow IZVESTIYA in Russian 29 Aug 96 p 1

[Article by Andrey Rumyantsev: "A Job in Which There Is No Leave"]

[FBIS Translated Text] At least, no leave of the sort that "ordinary mortals" have. This is a consequence of the exceptionally broad powers with which the Russian president and also some of his foreign colleagues (the United States and France) are vested.

If a head of state drops out of the decisionmaking mechanism for a long period, there is a threat that the vacuum will be filled arbitrarily, especially in Russia, where legislation contains no answer to a seemingly natural question: "Who should fill in for the president while he is on leave?"

The only norm (Article 92 of the Russian Federation Constitution) says that "in all cases where the Russian Federation president is unable to fulfill his duties, they are temporarily performed by the chairman of the Russian Federation Government." Is the president able to fulfill his duties while on leave? Probably yes. After all, it is not for nothing that the vacation spots of top state officials are equipped with the most modern communications facilities and transportation. In that case this norm does not apply. But if the actual reason for failure to fulfill his duties is something else, for instance, his state of health, then the prime minister comes on the scene.

Presidential Press Secretary Sergey Yastrzhembskiy gave a very peculiar description of the president's position: He "is monitoring [kontroliruyet] questions of domestic and international policy and each day receives from Moscow a large package of documents that require his intervention." This means that the president has left no one "filling in for him." There can be no doubt that if the president's intervention were required not only to look at documents but also for other actions, for instance, to take part in sessions of the Security Council or federal government or to hold meetings with other officials, he should do this. The fact that he is on leave is no obstacle here. Otherwise Article 92 of the constitution would enter into force.

Anyway, there is no doubt that in terms of rank the government chairman is in second place after the president in the executive hierarchy. This is confirmed by existing practice. On his return from Chechnya the other day, Aleksandr Lebed met with Viktor Chernomyrdin. Of course, the premier could not adopt decisions that are within the president's competence, but there is no one else to give guidance. If only because all the rest have even less right to do so.

Russia: Spokesman Says Yeltsin Plans No Meetings With Lebed

LD2808175596 Moscow ITAR-TASS in English 1645 GMT 28 Aug 96

[By Artem Protasenko]

[FBIS Transcribed Text] MOSCOW, August 28 (Itar-Tass) — Russian President Boris Yeltsin does not plan any meetings with Security Council Secretary Aleksandr Lebed in the near future, presidential spokesman Sergey Yastrzhembskiy told reporters on Wednesday.

However, the fact that there have not been "any meetings with the secretary of the Security Council should not be considered as a factor hampering a political solution," Yastrzhembskiy said.

At the same time, Yeltsin issued several orders in connection with the settlement of the Chechen crisis which had been submitted by Lebed, the spokesman said.

The president received the settlement plan from Lebed and thoroughly examined his proposals on Tuesday, and on Wednesday issued several instructions for various agencies, including the Security Council, he said.

The new instructions "specify the previous ones and aim to consolidate the peace-making process in an attempt to advance tangible measures to settle the crisis in the Chechen republic," Yastrzhembskiy said.

Though on holiday, Yeltsin is occupied with state affairs, he stressed.

Russia: Speculation on Yeltsin's Silence Over Lebed's Plan

MK2908094796 Moscow KOMMERSANT-DAILY in Russian 12 Aug 96 pp 1, 3

[Report by Dmitriy Kamyshev: "The Silence of President Yeltsin"]

[FBIS Translated Excerpt] After several hectic days of negotiations, calm fell on Chechnya. Tuesday evening detachments of the joint city commandant's offices, which are to ensure public order and the protection of state installations, entered Groznyy. And yesterday morning the withdrawal of federal troops and separatist fighters resumed. Yet the situation around the political agreement remains ambiguous: The president, on whom the fate of the document depends, maintains silence.

Aleksandr Lebed's report on his latest trip to Groznyy and his plan for a comprehensive settlement of the Chechen crisis were submitted to the president's office Tuesday evening. However, either due to some problems with the president's delivery service, or because the documents delivered to the head of state proved too difficult to fathom, by press time yesterday no information was available about Boris Yeltsin's first reaction to the documents. Moreover, whereas after the Security Council secretary's first trip a conversation with the president (even if by telephone) was vital — primarily for Lebed himself (in order to receive moral support and carte blanche for the continuation of negotiations) — now Yeltsin's stoic silence is hindering the settlement process as a whole. At any rate, the Dudayevites, known for their suspiciousness, could well assume that by dragging out the peace talks the Kremlin is in fact preparing for war. And then the trust between the Moscow representatives and separatist leaders, achieved at such pain, could again be lost.

True, the president's silence could well be a good sign: Instead of simply jumping to conclusions (like Yeltsin's first critical response to Lebed's efforts at achieving a cease-fire) this time the head of state decided to consider everything in detail with the assistance of advisers and experts, and only then make the final decision — especially since it could prove to be the most difficult of all the decisions that Boris Yeltsin has had to make since October 1993.

Whatever the reason for the president's deliberation, before he receives a response to his proposals directly from his boss, Lebed will possibly not go to Chechnya. This was indicated in no uncertain terms yesterday by the general's press secretary, Aleksandr Barkhatov, who pointed out that the time frame of the Security Council secretary's next trip to the conflict zone would, to a large extent, depend on Yeltsin's reaction to the documents presented to him. True, the president's representative in Chechnya himself, in an interview with RIA NOVOSTI, expressed the hope that he would get a response on Wednesday so as to go to Groznyy on Thursday or Friday. Such an expedition, in Lebed's view, is totally justified, because delay in negotiations "could thwart and disavow the signed agreements" on the termination of hostilities. Even so, to all appearances Yeltsin has decided to go slow. [passage omitted]

Russia: Yeltsin Silence on Lebed Plan Linked to Kremlin Infighting

MM2808151896 Moscow IZVESTIYA in Russian 29 Aug 96 p 1

[Article by Valeriy Vyzhutovich under the "Snap Analysis" rubric: "Why Is the President Pausing?"]

[FBIS Translated Text] There is a resounding pause in the talks between Security Council Secretary Aleksandr Lebed and Chechen separatist Chief of Staff Aslan Maskhadov. The reason for it is well known, but difficult to comprehend: Boris Yeltsin is saying neither yes nor no to the plan for emerging from the war agreed to by both sides.

It is now five days since, returning from Chechnya, Aleksandr Lebed began seeking a meeting with the head of state. Even Monday [26 August] — the reception day officially assigned to the Security Council secretary — passed by. Only on Tuesday did Lebed achieve any solid progress along the thorny road to the president: The Kremlin chancellery told him to submit by 1700 hours (astounding urgency after a delay of several days) a written report on his trip to Chechnya and proposals regarding the political element of the accords.

The documents have been duly dispatched. Boris Yeltsin will now immerse himself in studying them. Then, so the presidential press service reports, the head of state will decide on either a meeting or a telephone conversation with the Security Council secretary.

What sort of unknown or extremely secret information does the president want to obtain from the report ferried to him through the corridors of the chancellery? In order to acquaint himself with Lebed's proposals Boris Yeltsin, who is in Zavidovo either vacationing or continuing to work and worry, certainly does not have to use the special mail with an escort of armed couriers. All he needs to do is open any newspaper — the plan for a political settlement of the Chechen crisis has long since been circulated and only lazy people do not know it. The plan provides for renunciation of the use of military force, the democratic election of a new Chechen leadership, special status for Chechnya within Russia, and the holding no sooner than in five years' time of a referendum on whether the republic should be sovereign and independent....

The president is pausing. He is thinking. God knows what doubts assail him as he peruses the papers taken to Zavidovo. Yeltsin may be troubled by the separatists' demand that Chechnya be granted the full panoply of state, judicial, economic, and other power, a demand signifying de facto recognition of its independence. But Moscow would be at least five years late in coming up with a great-power [derzhavnyy] reaction to such demands: Dudayev's regime existed quite happily all these years without the slightest concern for the center. It can be a question now only of preserving the same effectively independent status of Chechnya, admittedly, now without Dudayev.

What is there to ponder for so long?

The reason for the protracted pause in the talks is probably the still uncertain balance of forces in the Kremlin infighting over Chechnya. Infighting whose main aim is apparently not the achievement of peace but the political elimination of Lebed. Doku Zavgayev's angry philippics against the general seem by no means crazy in this connection. And in that case the official Chechen leader's claim (incidentally, it has still not been denied by the presidential press service) that Yeltsin "shares his viewpoint" does not look like a bluff.

...Aleksandr Lebed was intending to go back to Chechnya this week. But until such time as the president provides a response to his proposals (whether by telephone or, following the tradition that has now been established, via the chancellery) he has nothing to take there and no reason to go.

Russia: Lebed Waits for Yeltsin's Comments on Draft Proposal

LD2908113296 Moscow Radio Rossii Network in Russian 1000 GMT 29 Aug 96

[FBIS Translated Text] During an interview Aleksandr Lebed gave to the RIA NOVOSTI News Agency, he said he does not think Boris Yeltsin has given a thorough answer to his report. In an interview with RIA NOVOSTI the secretary of the Security Council said that he had no intentions to comment on a draft agreement on a political settlement in Chechnya before his meeting with the president. When asked if this document envisages the existence of parallel structures of power in Chechnya, Lebed said only that they had always existed there and at present they had simply become more visible. At the same time, Lebed is not inclined to ascribe great importance to the official structures of power led by Doku Zavgayev.

Russia: Lebed Distances Himself From Anti-Chechen War Rally

LD2908101896 Moscow INTERFAX in English 1003 GMT 29 Aug 96

[FBIS Transcribed Text] MOSCOW, Aug 29 (Interfax) — Security Council Secretary Aleksandr Lebed Thursday released a signed press statement distancing himself from a rally planned for Saturday to protest the war in Chechnya. The full text follows:

"By a call of some activists of the well-sounding Democratic Russia, Democratic Union, and Russia's Democratic Choice movements, a rally is being convened on the Pushkin Square in Moscow on August 31 this year. Yushenkov, Starovoytova, Gaydar, Sheinis, and Shabad, hitherto unnoticed in my circle of friends, wish to express support for my peace work in Chechnya. I sincerely declare that I have never had the honor to ever require their aid and hope to do without it in the future. I follow the behests of the great poet (Pushkin, at whose monument) these people gather: Praise and slander accept with indifference."

Russia: Lebed Spokesman Denies Opposition Government in Groznyy

LD2808181596 Moscow ITAR-TASS in English 1725 GMT 28 Aug 96

[By Andrey Surzhanskiy]

[FBIS Transcribed Text] MOSCOW, August 28 (Itar-Tass) — The spokesman for presidential security aide Aleksandr Lebed has denied media reports saying that separatists were trying to form parallel government in Chechen capital Groznyy.

"The establishment of parallel executive power bodies by the armed opposition in Groznyy is completely out of question," spokesman Aleksandr Barkhatov told Itar-Tass on Wednesday.

He said that at earlier talks, Lebed and separatist leadership had been discussing the set-up of the bodies necessary to restore the war-torn Chechnya economy, to begin with municipal utility services, sewage disposal systems, bakeries, etc.

Any other turn of events would be inconsistent with the understandings reached at the latest talks with the Chechen opposition, he said.

However, federal troops commander in Chechnya Vyacheslav Tikhomirov said that the problem of alternative opposition government in Groznyy was evoking concern. Tikhomirov was speaking after Wednesday's talks with separatist military commander Aslan Maskhadov in the settlement of Novye Atagi.

Itar-Tass correspondent Nikolay Zagnoyko, who was reporting from the village, quoted Tikhomirov as saying that the sides decided not to place too heavy an emphasis on the problem as this could hamper the implementation of already reached military accords.

However, the general did not rule out that the issue, in this or that form, will be put on the agenda of the next meeting.

Russia: Chechnya Linked to Moscow, U.S. Politicking

MM2908111096 Moscow SOVETSKAYA ROSSIYA in Russian 27 Aug 96 p 1

[Article by K. Zharova: "How Is 'Peace Being Made' in Chechnya Today? Castles in the Air Above a Volcano"]

[FBIS Translated Text] Who today most wants to put an end to the war in Chechnya, apart from soldiers and officers dying there or their wives, mothers, and children? Inasmuch as the Russian authorities have long ignored the interests of the people, it would also be naive to believe that Lebed's attempts to assume the role of peacekeeper are aimed at saving the lives of Russian boys. However, one gets the impression that Lebed has been tasked with ending the war at any price. Yes, even at the price of thousands of unnecessary casualties and also at the price of Russia's integrity. No matter what, the war must be stopped immediately!

Yeltsin tried to do precisely the same prior to the elections, when he sat at the negotiating table with Yandarbiyev. Now that he, the person who unleashed and provoked the slaughter, has opted out of things and doesn't seem to care whether Russia's own land secedes from it or not, the Security Council secretary has been entrusted with the entire initiative of establishing peace. The only thing that the president did for that was to grant him super-powers. What for? For whose sake?

We should not forget that presidential elections in the United States are near at hand. The American voters are perfectly well aware of the services that their president rendered to ours during the election campaign. They have the right to ask in November: Whom did you, Clinton, push to power so desperately and contrary to rules of democracy? In short, "tell me who your friend is..." [and I will tell who you are] What can "friend Bill" answer to them? That he supported a tyrant, who is killing his own nation and who is responsible for bloodshed? The Americans are totally indifferent to Russia's integrity problems; what is important to them is to have, in their own home, guarantees that their president is a proponent of freedom and democracy. Thus, a question arises: For whom is Lebed actually working?

To answer this question, you only have to look at how and with whom he holds talks. Isn't it symbolic that he flew for negotiations with Maskhadov on board Albakov's aircraft. Do you remember this name? Our newspaper and many other publications wrote repeatedly that he is a well-known narcotics baron. Then, one Khachalayev, who, according to the Chechens, is a well-known authority in the criminal world, rendered him transport and other services. Incidentally, as reported by the Azerbaijani press, shortly before Lebed's visit to Chechnya, Khachalayev visited Baku, where the republic's security minister held briefing talks with him. By the way, other members of the Azerbaijani government refused to meet with Khachalayev.

People in Chechnya are now saying that Lebed's meetings with Maskhadov took place in "castles of air." This is a reference to palaces built in Chechnya as a result of operations involving [fake] credit advice notes.

What results can be expected from meetings with people whose word is nothing more than hot air until, that is, they sense their own profit. In such a manner, as you remember, an illusion of combat operations abating could be created was succesffully created for a time prior to the Russian presidential elections. Perhaps now too, prior to the American presidential elections, Lebed will be able to do the same. But only temporarily. One cannot hope that the war will be over once and for all, even if Chechnya gets the status of an independent state.

The thing is that those who are familiar with the Chechen reality are fully aware of the fact that the republic's territory is divided among field commanders, as it is customary to refer to them in Russia, but who are in fact heads of gangs. They take orderds from neither Maskhadov nor Yandarbiyev. Coordination of actions, punctiliousness, or discipline among those formations are a myth. Therefore, when sitting down at the negotiating table with a certain group of people, one should rather enlist the support of other groups. However, it is impossible to do this, as is also impossible to agree on something concurrently with the heads of the Solntsevo, Izmaylovo, or other Moscow criminal groupings. And we are dealing with precisely formations of this type and the laws they profess.

Of course, one might be distressed that the high status of Security Council secretary has been lowered to such a level. However, the president himself once negotiated peace with them, and not in some aul [Chechen village], but in the Kremlin!

It remains a mystery why, at decisive moments, instead of giving support to Chechnya's legitimate government, the Kremlin has consistently shown preference for bandits. As soon as progress start taking shape in the development of dialogue within Chechnya the only possible way to solve the problem — the Kremlin immediately initiates its games with the bandits, pushing Zavgayev, into the background, as is the case now. This looks like betrayal not only with regard to Zavgayev himself — it is not a matter of specific individuals. The thing is that the government of the Chechen Republic maintains firmly and consistently that Chechnya is a part of Russia. Zavgayev himself has repeatedly stated this, and for that he draws the revenge of those who dream of breaking Russia apart.

Will the war come to an end even if our troops withdraw from Chechnya? Even if a short-lived truce is achieved? Alas, no. The genie has been let out of the bottle. A whole category of people has formed in Chechnya who cannot live in any environment other than a state of war. They are also well armed. They first got help in their cause in 1991, when Shaposhnikov [former USSR defense minister] and Grachev [former Russian Federation defense minister] were rapidly withdrawing our army from there, leaving behind heaps of weapons. It appears that, the second time, Lebed is in charge of this mission: Whole detachments are already being disarmed, but the general calls this a misunderstanding. Well, this volcano, which is so convenient for the presidents on either side of the Atlantic in achieving their goals, will continue to smolder. A kind of lifesaver which has cost hundreds of thousands of lives.

Russia: Lebed, Chernomyrdin Battle for Korzhakov's Arms Empire

MK2908102596 Moscow SEGODNYA in Russian 29 Aug 96 p 1

[Report by Pavel Felgengauer under the "Conflict" rubric: "The Battle for Arms: Lebed vs. Chernomyrdin. A New Crisis in the Export of Russian Arms"]

[FBIS Translated Text] Just a month or two ago the press regularly ran essays — similar in style and content — describing how perfectly well the Russian arms export business was faring. Presidential adviser Boris Kuzyk announced that more than $3 billion worth of military hardware and weapons were sold to foreign countries in 1995 and that afterward the annual figure would, to all appearances, be $6 billion to $7 billion — or more. But suddenly the situation has changed. Aleksandr Korzhakov — who until last June (although not quite publicly and not quite officially) singlehandedly controlled arms exports — was fired. And immediately the results of inspections compromising these former hero workers of the arms export business began to trickle out.

Yet the management of the "Rosvooruzheniye" state company is determined to fight for its fate desperately and to the last. It has been bombarding Boris Nikolayevich [Yeltsin] with collective letters, and our good-natured president is at a loss as to whether or not everything should be left unchanged — even though Mr. Korzhakov's protigis take much, but return little. But in the current stage of Russian democracy you cannot be engaged in lucrative business without a formidable "roof," otherwise you will be eaten. For this reason the current leadership of the military-technical cooperation system is seeking Aleksandr Lebed's patronage.

Currently, the situation is as follows: the State Committee on Military-Technical Policy, which controlled arms exports and which existed within the system of executive authority as if on its own — it was directly subordinated to the president (read Korzhakov) — has been abolished altogether. It is absent from the government's new structure. Its chief, Sergey Svechnikov, was dismissed together with his committee. Aleksandr Kotelkin, president of the "Rosvooruzheniye" state company — which is an arms export monopoly acting essentially as a middleman — is teetering on the verge of dismissal. The man who is tipped as "Rosvooruzheniye's" new president is Georgiy Khizha, former first deputy prime minister (if anyone remembers) who supervised the military-industrial sector, but who was fired in 1993. Incidentally, Mr. Khizha coordinated efforts to bring Russian troops to Ingushetia in 1992, during the Ossetian-Ingush conflict, for which act he has since been disliked by the Ingush and the chiefs of the local "most-favored economic zone"; conversely he is the Ossetians' best friend. In addition, he enjoys the support of Prime Minister Chernomyrdin, but General Lebed (who, as a matter of fact, has close ties with Ruslan Aushev) is categorically opposed to him. As far as one can judge, Mr. Lebed would like to retain the current structure of military-technical cooperation, subordinating it to himself, as it was formerly subordinated to Aleksandr Korzhakov.

The final outcome of the battle for control over the arms business is not yet clear, but one thing is absolutely certain: Apparatus struggles essentially change nothing in this system. According to a universally held view, Russia can export either raw materials (which is not prestigious), missiles, or ballet. Since ballet's export potential was already fully exhausted back during the Soviet era, what remains is only to boost arms exports, which could help rescue moribund secret defense plants, the cities built around them, and millions of jobs. If a just cause is to succeed, what is needed is obviously "a streamlined system subordinated to a single center."

Yet the strictly classified and "streamlined" arms trade system already exists, but it seems to enrich only middlemen and no one else. Nowadays, even defense enterprise directors demand greater transparency and public control. If the struggle over the redivision of the spheres of influence in the system of arms exports between Messrs. Lebed and Chernomyrdin does not lead to substantive change, the "Rosvooruzheniye" state company will remain a source of wealth for the chosen few, while talk about the benefits of the arms trade will only stand in the way of efforts to find solutions to the real problems besetting the defense industry.

Russia: Winding Up of Abolished Ministries Viewed

MM2908094896 Moscow IZVESTIYA in Russian 28 Aug 96 p 4

[Article by Dmitriy Dokuchayev and Yuliya Ulyanova: "Unemployed Ministries. Reportage From Departments That No Longer Exist"]

[FBIS Translated Text] Twenty-four ministries and departments will be eliminated before 30 November in accordance with the presidential edict "On the Federal Structure of Executive Power."

What is the fate of these abolished management organs?

Let us say straightway that nowhere did we find apocalyptic pictures of documents being burned, furniture being removed, and officials marching in serried ranks to the labor exchange. But people's mood everywhere could have been better, to put it mildly.

"You have come here at a 'historic' moment. At this precise moment Yuriy Bespalov, the new Russian Federation industry minister, is walking into the office of Salambek Khadzhiyev, former chairman of the State Committee for Industrial Policy," Boris Kitenko, an adviser to Khadzhiyev, told us. "The new Industry Ministry will absorb the former committees for machine building, metallurgy, and the chemical and petrochemical industry as well as the State Committee for Industrial Policy."

The prestigious leader's office in the building on the corner of Triumfalnaya (the former Mayakovskiy Square) has seen many industrial generals in its time. At present Yuriy Bespalov is a general without an army. All staffers of the State Committee for Industrial Policy have now been formally notified that they will be dismissed in two months' time, and a winding-up commission headed by Grigoriy Napolov, formerly Khadzhiyev's first deputy, has been set up in the department.

As for Khadzhiyev himself, it is rumored that a prestigious new post awaits him, which you cannot say of ordinary committee staffers. Though wages in the department were extremely modest, many functionaries had worked here for years and thoroughly knew and loved their jobs. They are now naturally worried about sorting out their future lives: Some are seeking jobs elsewhere, some dream of finding a job at the new ministry.

As for the essence of the matter, Boris Kitenko expressed doubt whether the new ministry will be immediately able to inject certainty into the country's industrial policy. This would be possible if it were a question of reorganization stemming from a particular program or idea. But now, he believes, there has simply been abolition for its own sake and the mechanical amalgamation of a number of departments.

The typical picture is for the abolition of departments to be carried out by the departments themselves, and for the winding-up commissions to be headed by a deputy minister. At present it is too soon to speak of how the commissions' work is going — Monday 26 August was their first working day for many of them. Despite the fact that there is still lots of time before 30 November, the winding-up commissions will have to move swiftly under the terms of the government directive on implementing the presidential edict. For instance, by 30 September they will have to submit to the Finance Ministry estimates of the cost of abolishing departments. Yuriy Moshkin, head of the Finance Ministry Department for the Financing of the State Apparatus, told IZVESTIYA that he is hoping that this will be done on time.

The disbandment of the Committee for Precious Metals and Precious Stones was known before the fate of the other departments. Nevertheless, the work of the winding-up commission is only just beginning. Its first session was held 23 August. Ordinary staffers are rather uneasy about the disbandment of the committee: At the mention of it they groan and put the phone down. The deputy chairmen are not feeling overly comfortable either — they ask not to be cited in the newspaper. Nevertheless, speaking anonymously, they disclose that the future of the majority of staffers of the Committee for Precious Metals will be decided by joint talks with the Finance Ministry and Industry Ministry, to which the committee's powers are passing. As Viktor Gritsayev, deputy head of the winding-up commission and deputy chairman of the Committee for Precious Metals, told IZVESTIYA, a very great deal depends on how the work of the Industry Ministry is arranged and what its staff is going to be. The committee has prepared its own proposals on how the department can be "drawn into" the new ministry.

A meeting with Finance Minister Aleksandr Livshits about this may be held as early as Wednesday 28 August. Furthermore, according to IZVESTIYA's information, Yuriy Kotlyar, acting chairman of the Committee for Precious Metals, is today holding working consultations, so to speak, at the Finance Ministry.

According to Viktor Gritsayev, the main difficulty in eliminating the committee is that it is not so much a central apparatus as a large production sphere. "The committee includes both the Assay Office and the State Depository of Valuables," Gritsayev recalls. "So we need not only to find jobs for specialists but also to draw up the final balance sheet — to determine what valuables we are handing over to our successors and how."

But at the time of our inquiry the former Education Ministry has still not received the decree on elimination, and therefore has still not set up a winding-up commission. However, none of the staffers is in any doubt that this will happen in the next few days or even hours. A new Russian Ministry of General and Vocational Education to be headed by Vladimir Kinelev is being formed on the basis of the former Ministry of Education and the former Russian Federation State Committee for Higher Education.

Former Education Minister Yevgeniy Tkachenko is still "around," but he will have no place in the future ministry. He is said to be very upset that he was unable to keep "his" ministry and prove the need for it in the new government structure.

His subordinates also have reason to be upset. It is rumored that only one of the deputy ministers, Aleksandr Asmolov, will keep his post and the rest may find themselves out of a job. A similar fate lies in store for a number of the former departments. However, this is not the first time ordinary officials have experienced such upheavals: This is the third abolition in recent years so far as they are concerned.

"On behalf of staffers who have experienced several reorganizations," Section Chief Tatyana Zgorzhelskaya says, "I would like to express the hope that young, vigorous people full of ideas and the strength to implement them will join the leadership of the education department."

Most of the people we talked with understand the merger of the two departments, saying that this is how the management of education is organized all over the world. Furthermore, Vladimir Kinelev is regarded as a very strong leader here.

The general worry, and this applies not only to the Ministry of Education, is merely that real professional managers and the studies, programs, and ties created by their efforts may be lost in the spate of cuts and abolitions.

The abolition of departments should not be seen as their reduction — it provides primarily for the transfer of the functions of several structures to a single structure. IZVESTIYA was told that no one in the government apparatus is keeping "central" tabs on the process of "elimination," which should more accurately be called reorganization. Quite soon we will receive the answer to the question of whether this measure is a simple change of components in the state apparatus.

Russia: Yeltsin Signs Law on Social Insurance Fund Budget

MM2908082596 Moscow ROSSIYSKAYA GAZETA in Russian 27 Aug 96 p 3

[Russian Federation Federal Law No. 119, signed by President Yeltsin on 21 August 1996: "On the Russian Federation Social Insurance Fund Budget for 1996. Passed by the State Duma 22 May 1996. Approved by the Federation Council 5 June 1996"]

[FBIS Translated Text] Article 1. The 1996 budget of the Russian Federation Social Insurance Fund (hereinafter, the fund) shall be ratified for revenue of 28,899.6 billion rubles [R] and expenditure of R28,138.8 billion, an excess of revenue over expenditure of R760.8 billion.

Article 2. It shall be laid down that the fund's budget revenue for 1996 shall be formed from the following sources:

	Billions of rubles
Funds carried over as of 1 January 1996	874.0
Insurance contributions	25,690.2
Other revenue	1,261.8
Federal budget funds	242.6
Revenue from the Russian Federation Pension Fund	831.0

Article 3. It shall be laid down that in 1996 funding of expenditure relating to sanatorium and resort cures and medical treatment for citizens and their children, as well as the granting of concessions with respect to the payment of social insurance benefits in accordance with the Russian Federation Law "On the Social Protection of Citizens Exposed to Radiation as a Result of the Chernobyl AES [nuclear electric power station] Disaster" as amended by the Federal Law "On Amendments and Additions to the Russian Federation Law 'On the Social Protection of Citizens Exposed to Radiation as a Result of the Chernobyl AES Disaster'" shall be implemented out of federal budget funds for 1996 by remitting those monies to the fund.

On the basis of the provisions of the aforesaid federal law, the Russian Federation Government shall submit to the Russian Federation Federal Assembly State Duma proposals on the procedure and timetable for the repayment to the fund from the federal budget of the debt owed to it of R177.6 billion which built up in 1994-1995.

Article 4. The fund's budget monies shall be used in 1996 for the following purposes:

	Billions of rubles
Benefit payments, total of which is:	20,512.7
for temporary disability	14,334.9
for maternity and childbirth	1,795.2
for the care of a child up to the age of 18 months	2,477.8
on the birth of a child	1,570.5
for burial	270.7
other benefits	63.6
Sanatorium and resort services for working people and their families	4,678.9
Medical treatment for children	1,536.0
Payment of benefits over and above the set level, sanatorium and resort cures, and medical treatment funded by the federal budget for 1996	242.6
Implementation of social insurance of which is:	1,126.6
funding of the Russian Federation Ministry of Labor Federal Labor Inspectorate (Rostrudinspektsiya)	248.8
funding of the trade unions' labor inspectorate	6.4
funding of labor protection research	7.0
upkeep of the fund's executive organ staff	614.0
capital construction	100.0
Other expenditure	10.0
Payments to the Russian Federation Pension Fund	32.0

Article 5. The circulating cash monies normative in the fund's budget for 1996 shall be established at the beginning of each quarter in the amount of 20 percent of total average monthly expenditure on the payment of benefits in the coming quarter and 25 percent of the total quarterly expenditure on sanatorium and resort services for working people and their families and medical treatment for children in the coming quarter.

Any remaining cash funds making up part of the circulating cash monies normative do not constitute temporarily free assets and may not be confiscated.

The circulating cash monies normative shall be set at R865.1 billion for the fund's budget as of 1 January 1997.

The total surplus of revenue over expenditure of R760.8 billion in the fund's 1996 budget shall be channeled into forming the circulating cash monies normative for 1 January 1997.

Article 6. The Russian Federation Ministry of Labor Federal Labor Inspectorate (Rostrudinspektsiya) and the trade unions' labor inspectorate shall be financed in 1996 out of fund monies.

It shall be laid down that as of 1 January 1997 the Russian Federation Ministry of Labor Federal Labor Inspectorate (Rostrudinspektsiya) and the trade unions' labor inspectorate shall be financed not by the fund but in accordance with the federal law "On the Foundations of the Russian Federation Civil Service" and the federal law "On Public Associations."

Article 7. This federal law comes into force from the date of its official publication.

[Signed] B. Yeltsin, Russian Federation president

[Dated] Moscow, the Kremlin, 21 August 1996
No. 119

Military & Space Issues

Russia: Defense Budget Prospects Seen as 'Bad Dream'

MM2808172496 Moscow KRASNAYA ZVEZDA in Russian 29 Aug 96 p 1

[Article by Colonel Ivan Ivanyuk: "Budget-97: Country's Defense Interests Cannot Be Sacrificed for the Sake of Mere Figures"]

[FBIS Translated Text] What is happening yet again in connection with the approval of expenditure on the country's national defense is like a bad dream. Throughout the year television and the press have been swamping Russians with information on the disastrous situation for the Armed Forces. Anyone may be moved by features on army dogs gnawing at planks from hunger, soldiers dying of malnutrition, fighters in the federal forces fighting in Chechnya who have no boots or clothes, officers earning extra money as loaders at commercial stalls because they find it hard to feed their children. After an emotional outburst, a scientific personage appears on screen or in the pages, and says: Of course this is terrible, it is necessary finally to resolve the question of army funding and increase defense spending to meet the real needs! After this, the election promises and other promises begin. But the time comes to examine the budget for the following year, and everything seems forgotten, and the military budget is "cheered" on its way through the various bodies in an even more curtailed form, until it acquires the force of law.

The games over the 1997 budget have begun according to the same scenario, and the new government, having approved its concept and main parameters at its session a week ago, has shown no more concern than before about national defense. And it looks very much as if it will have to play the poor relation yet again. Because even the IMF, which can hardly be described as a loving mother to the Russian Army and Navy, admits that defense expenditure could, for Russia, amount to 5 percent of GDP, and yet those who draft our budget, without any urging from outside, are envisaging this indicator for next year as substantially below 4 percent. The concept is based, in effect, on a single figure — the task is to reduce the budget deficit next year to 3.3 percent, thereby continuing the large-scale offensive against inflation. Obviously the bureaucrats in the financial and economic departments cannot be bothered to consider what will happen in real life.

And it seems that the Finance Ministry and the Economy Ministry have not only lost sight of the criteria of the public good, but the very process of work within these departments has begun to take on grotesque forms. After all, the Defense Ministry's budget application, which was in effect ignored at the government session, was not unrealistic. It is based on the need to carry out very specific tasks in the sphere of the defense of the country, tasks defined by the Russian Federation Constitution, federal laws, and edicts of the Russia president. As for the technique used for calculations, funds are requested in strict accordance with the macroeconomic predictions of the Economy Ministry and directives of the Finance Ministry through direct calculation based on existing norms. One wonders why, in that case, did a horde of highly paid officials concern themselves with predictions, methodological studies, checks on calculations, and so on, and so forth? Merely in order to discard all this, when the time came to examine the budget, and say: No, we have to combat inflation, and everything else must be based on a 3.3 percent budget deficit. It is all very odd.

Incidentally, according to experts' assessments, the predicted deficit figure is unattainable, as is the promised level of inflation of 0.8 percent a month. But is there any need to strive for that, anyway? Even the present level of inflation is possible to live with — after all, it is not a constant succession of "black" Tuesdays and Thursdays. And if the budget deficit is kept at this year's level in 1997, that is, within a level of 3.85 percent, then defense problems could be dealt with much more effectively.

As you know, the Defense Ministry has drawn up a concrete plan for Army and Navy reform for examination by the State Commission for Military Organizational Development in the Russian Federation. This plan is designed to bring the structure and composition of the Armed Forces into line with the country's economic potential. It makes provision for, among other things, a considerable reduction in the Armed Forces, the abolition and reorganization of a number of structures which are becoming ineffective in the changed conditions, and the disbandment of formations and units where manning levels are poor. But the reduction of the Armed Forces, as everyone realized a long time ago, is not cheap at all, since it costs considerable sums to resolve the social problems of servicemen discharged into the reserve. There is a direct presidential instruction that this expenditure should be identified as a separate entry in the budget, but, as the first government hearing showed, this instruction has not been fulfilled.

It should not be forgotten that this year's debts, which run into trillions of rubles for the Defense Ministry, will be a heavy burden next year. The failure of the 1996 budget is another lesson to those who advocate a formalistic approach to organizing the country's economic life. After all, it does not only mean delays of many months in the payment of soldiers' pay and wages and social payments for children, the inability to purchase food and kit, and other negative phenomena for the Armed Forces. The prolonged crisis in funding the Army and Navy rebounds on the national economy too: Problems are exacerbated in the country's defense complex and the power industry, and difficulties arise with the collection of federal taxes to be paid into the budget. In short, the vicious circle closes, becoming a kind of noose which strangles everyone at once.

Specialists' calculations show that given the level of funding of the Defense Ministry that the government proposes, never mind about reforms, it is not clear how it is possible even to survive. In fact the budget must allocate for defense needs no less than 5.1 percent of the country's GDP, or, taking into account the pressing need for military reform, even more.

The deadline for submitting to the government the final draft of Russia's budget for 1997 expires today. By way of implementation of the Russian Federation Government's instructions, the Defense Ministry has worked to regularize expenditure on the organizational development and maintenance of the Armed Forces taking into account the priorities of military reform. Calculations have been done and arguments adduced. Will they finally be heard and accepted? Will a military budget that is in accordance with the realities of army life see the light of day for the first time in recent years? One very much hopes that the answer to this question will be in the affirmative.

Russia: Rocket With Argentinian Satellite Launched From Plesetsk

LD2908062796 Moscow ITAR-TASS World Service in Russian 0557 GMT 29 Aug 96

[By ITAR-TASS correspondents Veronika Romanenkova and Viktor Gritsenko]

[FBIS Translated Excerpt] Moscow, 29 August (ITAR-TASS) — Argentina is joining the space nations today. Its satellite, 'Microsat', together with other two satellites, 'Interbol-2' and 'Magion-5', were launched into orbit by the Russian booster 'Molniya-M' from Plesetsk cosmodrome. The launch was conducted by a crew of the Russian space armed forces at 0922 Moscow time [0522 GMT] from the 43rd launching pad of the cosmodrome. [passage omitted]

Regional Affairs

Russia: Tikhomirov, Maskhadov End Talks; Some Discord Remains

LD2808171596 Moscow ITAR-TASS in English 1639 GMT 28 Aug 96

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] NOVYE ATAGI, Chechen Republic, August 28 (Itar-Tass) — The commander of Russian troops in Chechnya, Vyacheslav Tikhomirov, and Chechen rebel military chief Aslan Maskhadov ended their talks in the village of Novye Atagi, southern Chechnya, on Wednesday on an optimistic note, but failed to iron out all disagreements.

Tikhomirov and Maskhadov confirmed that federal troops are leaving Groznyy and that Chechen separatists have released 16 Russian prisoners of war.

Tikhomirov said Russian authorities and the Chechen opposition have begun a confidential dialogue which bodes well for conflict settlement in the republic.

At the same time, he expressed concern about the separatists' drive to set up parallel power structures.

"However, we have decided not to raise this issue sharply because this may disrupt agreements on military issues," he added.

For his part, Maskhadov noted that Russian military reports have not mentioned casualties among federal troops over the past 24 hours, which in itself is a remarkable achievement.

Asked about "facts of pressure" on members of Chechen leader Doku Zavgayev's government, Maskhadov said this is a political matter, while the ongoing talks deal only with military issues.

Political issues may be raised at the upcoming meeting between Maskhadov and Security Council Secretary Aleksandr Lebed during his next visit to Chechnya.

Russia: Khasbulatov: Yandarbiyev Ready To Continue Talks in Moscow

LD2908111896 Moscow Radio Rossii Network in Russian 1000 GMT 29 Aug 96

[FBIS Translated Text] Zelimkhan Yandarbiyev, the leader of the self-proclaimed republic of Ichkeria, is ready to visit Moscow in person to continue talks concerning the status of the republic. This was said by Ruslan Khasbulatov, adviser to the Chechen separatist leader. In an interview with our correspondent, Khasbulatov describes his intentions after his trip to Chechnya and denies allegations that the federal forces in Chechnya are not happy about the talks begun by Aleksandr Lebed.

[Begin Khasbulatov recording] I was asked to meet the prime minister because talks are in progress with the Security Council secretary and contacts have been established with him, but there was a certain concern over the fact that the government was staying somewhat aloof. A certain apprehension has been expressed to me concerning a possible political agreement. Myself, I share this apprehension — what is the stand of the prime minister and government? This is why I was instructed to meet Viktor Stepanovich Chernomyrdin and discuss these issues with him. I had contacts with federal troops on many occasions, met soldiers and officers, and they are very openly happy about the current development of the events, that the war is coming to its end. I have not come across any other points of view. I think these servicemen were sincere when talking to me because they know my position and they have nothing to hide from me. [end recording]

Russia: Over 8,000 Federal Troops Withdrawn From Groznyy, Mountains

LD2808181896 Moscow INTERFAX in English 1803 GMT 28 Aug 96

[FBIS Transcribed Text] GROZNYY, Aug 28 (Interfax) — Over 8,000 federal troops were pulled out of Groznyy and mountainous areas of Chechnya Wednesday in line with earlier agreements.

About 2,300 Interior Ministry troops and 1,600 Defense Ministry servicemen have left Groznyy, an official at the federal headquarters told Interfax.

A total of 4,200 federal troops left southern Chechnya.

In addition, 200 armored vehicles were pulled out of Chechnya's mountainous areas and 160 from Groznyy.

The pullout was carried out without incidents or provocations, the official said.

According to the federal side, about 2,000 Chechen rebels left Groznyy Wednesday.

Under an agreement, all provisionally deployed federal forces are to leave Chechnya by September 1, while only two brigades, of the Interior and the Defense ministries, will remain in the republic on a permanent basis.

The sides also exchanged prisoners Wednesday. The separatists handed over 16 federal servicemen in exchange for 18 rebels.

Russia: 2,000 Russian, 1,900 Chechen Troops Leave Groznyy

LD2908063096 Moscow ITAR-TASS in English 0624 GMT 29 Aug 96

[By Boris Kipkeyev]

[FBIS Transcribed Text] MOSCOW, August 29 (Itar-Tass) — About 2,000 federal troops and 1,900 Chechen fighters pulled out of Groznyy on Wednesday, a spokesman for the Khankala headquarters of the Russian command told Itar-Tass today.

The rebel groups left the Leninskiy and Oktyabskiy city districts heading for Samashki, Achkhoy-Martan and Urus-Martan.

According to the command's headquarters, federal troops and separatists on Wednesday complied with the previously signed withdrawal accord.

The rival parties are to continue to withdrawal of their units from Groznyy on a par basis today.

The Noviye Atagi accords foresee a complete withdrawal by September 1.

Meanwhile, a spokesman for Russian interior troops in Chechnya told Itar-Tass today that rebels fired on positions of federal troops five times over the past 24 hours.

Two attacks were mounted in Groznyy and three near Samashki and Bamut, western Chechnya.

One serviceman was wounded by sniper fire near Groznyy's Minutka square on Wednesday night.

Russian troops reported no deaths.

Russia: Federal Troop Withdrawal From Groznyy Reported

LD2808202996 Moscow NTV in Russian
1500 GMT 28 Aug 96

[From the "Segodnya" newscast]

[FBIS Translated Excerpt] [Announcer Mikhail Osokin] Good evening, NTV's daily news program is on the air. The main headline is the withdrawal of federal units and Chechen detachments from Groznyy, which began today. [video shows tanks and federal armored personnel carriers on the move. Camera focusses on words "hurry on home" written on the side of a truck]

The phased separation of the troops is being accompanied by some chaotic redeployments. An OMON [Special Purpose Militia Detachment] unit left the chief headquarters directorate building on its own initiative. True, federal forces later took the building under their control again. For their part, the militia detachments of Chechnya's official authorities left the government compound in Groznyy and relocated to the area of Severnyy airport.

Journalists report from Groznyy about instances of Russian soldiers fraternizing with Chechens. They drink together and peacefully eat watermelon on the streets, although only a few days ago they were hurling rockets at each other. In Groznyy they say that the war seems to be over but in actual fact it will only be over when politicians in Moscow are able to agree on ending the war and turning the truce into a political settlement. [video shows federal troops climbing into trucks in Chechnya; then switches to show burned out armored personnel carriers on Groznyy street.

[Words indistinct] analyze the results of this campaign and Western experts take a highly critical view of the progress of this campaign in particular. A report has been published in Jane's, the well-known British defense magazine, claiming that Russian generals in Chechnya were unable to learn the lessons of the Afghan War. [passage omitted: federal commanders continued to employ massive aerial bombardment despite all its countereffects. The report also says that Russian military equipment performed very poorly, the T-72 tank catching fire from within when hit, and the SU-25 ground attack aircraft being grounded by bad weather. Apart from armor, video shows distant, solitary aircraft in flight].

[Correspondent Yevgeniy Revenko] The federal command in Chechnya resumed the withdrawal of troops from Groznyy today. Soldiers of the 204th Motorized Infantry Regiment were the first to leave. They were followed by the 205th Regiment, which took part in the fighting in the center of Groznyy. The units are redeploying to the outskirts of the city and around the headquarters of the Russian group of forces in Khankala and Severnyy airport. According to the generals, the withdrawal will take place strictly to plan and will last right up until 1 September. Detachments of militia loyal to Doku Zavgayev are leaving Groznyy along with the troops.

The events of the day have aroused optimism in some of the commanders of the armed opposition. The irreconcilable opponents of Russia's presence in Chechnya have begun to talk of peace.

[Begin Akhmed Akayev recording, Chechen separatist field commander] I believe that the war, the Russian-Chechen war, is not just judicially over but actually over. The war has come to an end and entered history. [end recording]

[Revenko] The appearance of the first small markets since the fighting is perhaps the best barometer of the situation in Groznyy. Furthermore, with the departure of the military, refugees have one again headed for the city. The remaining soldiers collect their things and help dig out ruins, which will hold the bodies of the dead for a long time yet.

According to the peace plan, the city is to come under the total control of the joint headquarters from 1800 today. It is not yet clear if all the agreements can be implemented but officers and fighters say that there is now a real chance to end the war.

[Begin recording] [Unidentified federal officer] There was a lot of negotiation and a lot of marking time. Positions have now been reached. They have been reached and the troops should leave. The decision is perfectly correct.

[Unidentified separatist fighter] We have found common ground and have both understood that it is time to stop the bloodshed. We should have met a long time ago. All the commanders in the field met and we found common ground. Neither they nor we want to fight. [end recording]

[Revenko] At the same time, in parallel with the federal forces, the fighters have to leave Groznyy. However, according to agency reports, there are still about 4,000 opposition soldiers and they continue to get reinforcements from Chechnya's highland regions. Furthermore, intelligence today discovered a detachment of fighters dressed in NATO uniform and armed with M-16 rifles near the train station. The separatists may have obtained all of this from Turkey. The military do not exclude the possibility that Stinger antiaircraft weapons were delivered along with the rifles and uniforms.

Russia: Federal Withdrawal From Chechen Hills Said Nearly Complete

LD2908095296 Moscow INTERFAX in English 0946 GMT 29 Aug 96

[FBIS Transcribed Text] Groznyy, Aug 29 (Interfax) — Russian troops have practically completed their pull-out from Chechnya's mountainous areas, a source in the Russian troops' command told Interfax Thursday.

Only rear units on mine-sweeping duty or who are recultivating the territory are still in the mountains, he said.

He announced that about 2,000 Russian servicemen had left the Kurchaloy district and 1,500 the Vedeno district. Earlier, Russian interior troops had been removed from the Nozhay-Yurt district. "The removal of a 1,000-strong Russian grouping from the Shatoy district is to be completed on Thursday," he said.

According to updated reports, he went on to say, about 2,000 Russian servicemen and 130 armored vehicles are to be pulled out from Groznyy on Thursday.

In answer to an Interfax question, he said that federal troops commander Vyacheslav Tikhomirov is not planning to meet with chief rebel commander Aslan Maskhadov on Thursday.

"The sides have agreed to meet in case of emergency. So far, the schedule of Groznyy's demilitarization and of the Russian troops' pull-out from the mountain districts has been observed, so there is no need to hold additional consultations," he said.

Russia: Two Separatist Detachments Remain in Groznyy

LD2908101696 Moscow ITAR-TASS World Service in Russian 0925 GMT 29 Aug 96

[By ITAR-TASS correspondent Boris Kipkeyev]

[FBIS Translated Text] Moscow, 29 Aug (ITAR-TASS) — Two tactical detachments of separatists, each of 1,200 men, now remain in the Chechen capital, an ITAR-TASS correspondent was told by military sources in Groznyy.

According to intelligence reports, the rebels have four tanks, nine IFV's, and mortars, as well as grenade-throwers and rifles. The six trucks carrying 1,909 armed rebels, which left Groznyy on 28 August, were on their way to deployment areas and the villages of Gudermes, Alleroy, and Novogroznenskiy.

The sources report that the Chechen side is insisting on the withdrawal from the settlement of Chernorechye in the suburbs of Groznyy of the 26th internal troops brigade, although this unit was not mentioned in the agreement on the withdrawal of troops from the Chechen capital. In the opinion of the military, this brigade, which is deployed on the southern outskirts of the city and is blocking the main roads leading to the southwest of the republic, is preventing the rebels from bringing armored equipment and other "trophies" into the mountains.

Russia: Khasbulatov Denies Troops Not Satisfied With Cease-Fire

LD2908100796 Moscow Radio Rossii Network in Russian 0900 GMT 29 Aug 96

[FBIS Translated Text] Zelimkhan Yandarbiyev is ready to come to Moscow to continue talks on the status of Chechnya, Ruslan Khasbulatov, an adviser to the leader of the Chechen separatists, has said. In an exclusive interview with our correspondent Ruslan Khasbulatov rejected the view that the federal forces stationed in Chechnya are not satisfied with the cessation of hostilities and also do not support the negotiating process started by Aleksandr Lebed, the president's plenipotentiary representative to Chechnya.

[Begin Khasbulatov recording] I have had a great many contacts with the federal forces — both soldiers and officers — and, to put it simply, they were frankly pleased with such a development of events — that an end to this war is getting closer. I have not met other points of view, and I believe they spoke to me frankly since they knew my position and had nothing to hide from me. [end recording]

Russia: Chechen Opposition Ready To Postpone Political Decisions

LD2808210596 Moscow Radio Rossii Network in Russian 2000 GMT 28 Aug 96

[FBIS Translated Text] Sergey Yastrzhembskiy has reported that the president is not planning to meet the secretary of the Security Council in the near future. However, this should not be regarded as a factor that impedes political settlement.

Earlier, Aleksandr Barkhatov, Aleksandr Lebed's press secretary, reported that a new trip by the Security Council secretary to Chechnya depends on the president's reaction to Lebed's report on the course of the talks. The press secretary said that the political document which Aleksandr Lebed hopes to sign with the separatist leadership envisages that a final political resolution of the Chechen conflict could be spread out over a long period of time, up to 10-15 years.

Interfax has learned that, on the whole, the separatist leadership supports the idea of a so-called postponed status of Chechnya. This is reported by a source in the Chechen delegation.

Russia: Official Comments on Chernomyrdin's Attitude Toward Chechnya

LD2808152096 Moscow INTERFAX in English 1440 GMT 28 Aug 96

[FBIS Transcribed Text] MOSCOW, Aug 28 (Interfax) — Russian Prime Minister Viktor Chernomyrdin is concerned about the Chechen side failing to meet all of its obligations under the agreement on a mutual troop withdrawal from the Chechen capital of Grozny, State Duma Chairman Gennadiy Seleznev told Interfax in an exclusive intreview on Wednesday after his meeting with Chernomyrdin.

However, Chernomyrdin believes that the agreement on the troop pullout from Groznyy "overall is being implemented," Seleznev said.

"The state and the army are carrying out their obligations under the troop withdrawal agreement [reached by Russian Security Council Secretary Aleksandr Lebed and Chechen rebel forces commander Aslan Maskhadov]. But the prime minister is concerned about those whom we call separatists and militants not leaving Groznyy," he said.

Seleznev said Chernomyrdin had shared with him his concern about the separatists currently "hoisting the flags of the illegal self-proclaimed Republic of Ichkeria over Groznyy."

"It seems that neither the prime minister nor anybody else is confident that they [separatist rebels — IF] will keep the promise to withdraw their armed formations," he said.

"The prime minister noted that at present it is premature to speak about some success in Chechnya, where only the first moves to separate troops are being made," Seleznev said.

During the meeting, Chernomyrdin "emphasized the key point: in their actions the federal authorities are leaning on the legitimate government of the Chechen republic," Seleznev said.

At present, "the most difficult [problem] is not to reach more agreements with the separatists but whether they will manage to find mutual understanding and establish interaction with the government of [Moscow-backed Head of Chechnya] Doku Zavgayev," he said.

Seleznev said he had asked the prime minister why President Boris Yeltsin had not so far met with Lebed.

"The premier said that, according to the information he has, the president has requested Lebed to send him a detailed report in written form so that it will be discussed with experts and compared to the information submitted by Zavgayev," he said.

"A personal meeting between Boris Yeltsin and Aleksandr Lebed has not so far been contemplated," Seleznev said.

Russia: 'Some Details' of Lebed Peace Plan for Chechnya Given

LD2808172096 Moscow INTERFAX in English 1530 GMT 28 Aug 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] Security Council Secretary Aleksandr Lebed would like to meet or talk over the telephone with Russian President Boris Yeltsin before leaving for Chechnya, Lebed's press secretary Aleksandr Barkhatov told Interfax Wednesday.

Barkhatov confirmed Lebed's willingness to visit Chechnya by this weekend. At the same time, he did not confirm the reports that Lebed will leave on Thursday or Friday, saying an exact date of the visit had not yet been set.

In Chechnya, Lebed plans to meet with Chechen Chief of Staff Aslan Maskhadov and Chechen separatist leader Zelimkhan Yandarbiyev, Barkhatov said. He did not exclude the possibility of signing a political agreement during this visit.

The Security Council staff submitted a written comprehensive settlement plan and a report on Lebed's latest trip to Chechnya to the presidential administration Tuesday evening. Barkhatov hoped that Yeltsin will decide to meet or talk with Lebed over the telephone after he studies these documents.

Lebed's intensive activities to implement the presidential settlement plan encounter growing resistance of some political forces in Moscow, Barkhatov said.

"To destroy the peace settlement scenario, they are trying to drive a wedge between the secretary of the Security Council and the country's top leadership," he said.

Commenting on the recent media reports which differently interpreted Yeltsin's reluctance to meet with Lebed, Barkhatov underlined that he did not regard such hoaxes as "simple after-effects of chasing for sensations."

Interfax has learned some details of the plan on Chechen settlement prepared by Lebed, although the details of the plan have not been unveiled officially.

The plan is based on the renouncement of the use of military force as a method to resolve the Chechen conflict, well-informed sources told Interfax.

The plan also emphasizes the need to keep Chechnya in Russia as a territory with special status, the sources said.

The first stage of the plan envisages parallel Russian and Chechen troop withdrawal from Groznyy, to be left under control of joint military commandant's offices, the sources said.

The plan does not envision immediate settlement of political problems, primarily the problem of Chechnya's status, following the cease-fire and an end to combat actions, the same sources said.

According to some sources, one of the possible compromise options proposed by the Russian side provides for postponing the settlement of the problem of Chechnya's status for a long period of up to five years.

During this transition period conditions must be created for convening a congress of all Chechen residents involving representatives of all Chechen districts and holding free democratic elections. A referendum on the status of Chechnya will become possible after the situation comes back to normal, the sources said.

However, it remains disputed whether Chechnya will have its own armed forces or whether the Chechen armed forces will be part of the Russian armed forces, the sources said.

Russia: Background to Lebed's Chechnya Peace Effort Explored

MK2908110996 Moscow NEZAVISIMAYA GAZETA in Russian 29 Aug 96 p 1

[Report by Natalya Konstantinova under the "Authority" rubric with the general heading: "Aleksandr Lebed Has Submitted His Proposals for the Settlement of the Chechen Conflict to Boris Yeltsin. The Security Council Secretary's 'Chechen Authority' Was Defined by a Secret Presidential Edict Whose Content Is Known To Only 5-6 People"]

[FBIS Translated Text] On the evening of 27 August, after a day's delay, Security Council Secretary Aleksandr Lebed fulfilled the president's assignment and submitted materials on the results of his trips to Chechnya and talks with Aslan Maskhadov to Boris Yeltsin.

Your NEZAVISIMAYA GAZETA correspondent has managed to find out that it was reported to the president that not only was the situation in Chechnya far from stable, but, due to certain circumstances, the Russian authorities could be forced to change their negotiating tactics.

As of today, these circumstances are as follows: Aleksandr Lebed, who, under the presidential edict of 14 August 1996, was given complete carte blanche to hold talks and exercise extra authority to coordinate the activities of federal executive agencies in Chechnya, has taken action without delay. But the edict "On Extra Measures To Settle the Crisis in the Chechen Republic" was not made public because it was marked "for official use only." Yet your NEZAVISIMAYA GAZETA correspondent has learned that one of the edict's main provisions did vest Lebed with broad authority, including the right to give virtually any orders to executive agencies — and, therefore, to the power ministers — on matters concerning the settlement in Chechnya.

However, the very emergence of this edict, the full text of which is familiar to not more than 5-6 people, has created a legal collision, whose essence is as follows: Despite Aleksandr Lebed's special authority, any minister displeased with his actions can invoke the law, for the powers of the ministers themselves are defined precisely by the law — while Lebed's emergency powers, merely by a presidential edict. It would have been unprecedented in Russian judicial practice for a court — in the event that irreconcilable contradictions crop up between law enforcers and people vested with extra powers or in case of special circumstances — to determine what should take precedence in a specific case. Simply speaking, it is unclear who, apart from the president, will be held accountable for measures taken in order to resolve the crisis in Chechnya. Yet lawyers are inclined to think that the power ministers will finally also have to assume this responsibility.

All these bureaucratic subtleties might have appeared not particularly important against the background of the still ongoing war; that is, had it not been for circumstances that accompanied the granting of special authority to the Security Council secretary.

First: On the eve of Aleksandr Lebed's talks Boris Yeltsin recommended that he was "to refrain from comments on this matter in the mass media" at least until Lebed's meeting with him, something that Lebed, as is well known, has not done. It seems that he has no intention whatsoever of following these directions as he publicly accuses his colleagues of incompetence and even issues ultimatums. Some observers assessed the incident with Kulikov as Lebed's attempt to quit the game and slam the door behind him, announcing that he had been "prevented" from fulfilling the president's assignment. Boris Yeltsin, who would have immediately fired the Security Council secretary in any other situation, should instead be given credit for preferring to tell Kulikov and Lebed — according to eyewitnesses — "You should work, not quarrel."

Second: Lebed has demonstrably left Doku Zavgayev outside the settlement effort. In the meantime, Zavgayev's people continue to get killed. And, according to NEZAVISIMAYA GAZETA's information, some of the militia officers who support him (there were 1000 of them) had to go over to the rebels. People at the Kremlin are currently inclined to think that no settlement in Chechnya will be possible unless Zavgayev's stance is taken into account; that currently there is dual power in the republic. Therefore talks should be held with both sides, at least so as not to antagonize either of them unnecessarily.

In this regard, the stance of certain observers who think that Doku Zavgayev is simply trying to keep afloat by fair means or foul does not seem to be quite correct.

Third: According to well-informed sources, what is currently going on in Chechnya can be called a truce, but not peace, even though Lebed's role is undoubtedly great in it. Yet ammunition, equipment, and medicines are slowly, but surely entering Groznyy during this semi-lull, suggesting that the rebels can at any moment demand conditions that would be absolutely unacceptable to Moscow, thus forcing the Russian authorities to attempt to resolve the conflict by force yet again, which, understandably, will cause yet more bloodshed and the most unpredictable consequences.

Fourth: The perpetrators of the terrorist acts in Budennovsk and Kizlyar have gotten away with it. Currently many Russian servicemen and officers have developed so-called "war stress" whose manifestations — psychological fatigue and the unsatisfied desire for revenge — are well known. Furthermore, many Russians fighting in Chechnya also suffer from the "Afghan syndrome." All these factors that negatively affect the psychological atmosphere in the military can no longer be dispelled by any promises. It all requires considerable tact from all politicians who deal with Chechnya. Clearly, at this stage they are simply obliged to refrain from attacks on one another. Otherwise this would amount to the direct manifestation of a lack of coordination between the Russian government authorities and their uncertainty as to the success of the settlement effort. This equally applies to Lebed, Zavgayev, and all those who are involved in the peace talks.

Fifth: By some accounts, the mid-level officer corps of the Internal Affairs Ministry has not accepted the plan proposed by Aleksandr Lebed, a situation that does not further the cause either. The officers are certain that Lebed will only be able to realize his peace settlement plan if he wins the support of the power ministers and a majority of servicemen, which is currently lacking.

Finally, the most important thing: The assignment given by Boris Yeltsin to Security Council Secretary Aleksandr Lebed tasked him with drawing up his proposals for organizing government authority in Chechnya and the operation of all the power structures, including the prosecutor's office and the Internal Affairs Ministry. According to Kremlin sources, materials submitted by Lebed to the president on 27 August touched on the subject only in general terms, which is unlikely to satisfy Boris Yeltsin. To all appearances, after familiarizing himself with the material, the president will call an expert council meeting and only after consultations with his trusted aides will he receive Aleksandr Lebed and make a decision on the content of the Security Council secretary's plan.

This final decision should contain a formal justification of Aleksandr Lebed's authority and take account of the interest of all the contracting parties, including Zavgayev; it should also specify matters of the practical organization of government authorities in the Chechen Republic.

Boris Yeltsin has so far preferred to stay away from the quarrel between officials involved in the Chechen settlement process one way or another. Yet he appears to think that it can obstruct the talks.

Sources at the Kremlin have confirmed that the president fully trusts Aleksandr Lebed and that their meeting might take place in the very near future.

Russia: Zavgayev Criticizes Lebed's 'One-Sided' Approach

MM2808183696 Moscow PRAVDA PYAT in Russian 29 Aug 96 p 1

[Interview with Doku Zavgayev, "head of the Chechen Republic," by Igor Lenskiy; place and date not given: "Doku Zavgayev: 'You Can't Turn the Gunmen Into the Authorities'"]

[FBIS Translated Text] [Lenskiy] Doku Gapurovich, what is happening in Groznyy now?

[Zavgayev] An agreement has been signed with the so-called separatists — who should rightly be called bandits and murderers — bypassing the constitutional organs of power. And now the terrorists' ringleaders have been allowed to form a commandant's office consisting of half gunmen and half soldiers of the federal forces, while the Chechen police is not represented at all. Since the commandant's office is the authority, the result is that bandits who entered the city with murder in view have been legitimized and kept their weapons on a supposedly lawful basis. Since there are bandits in the commandant's offices, one wonders: Who are these commandant's office operating against? Against the population, against the constitutional organs of power, against those who are fighting to preserve Russia as a unified federal state. That is a real coup d'etat.

[Lenskiy] Maybe the creation of joint commandant's offices has helped to strengthen law and order?

[Zavgayev] Exactly the opposite. In recent days the gunmen have killed more than 70 federal police officers and two deputy heads of the Groznyy city administration and kidnapped two ministers of the Chechen Government and also the well-known religious authority Ilyas Arsanov. Acts of terrorism, hostage-taking, and the disarming of fortified checkpoints are continuing intensively.

[Lenskiy] How are the gunmen making use of this respite?

[Zavgayev] They have become confident that the outrages they are committing in Groznyy are permissible. In Groznyy today the gunmen are driving out the city and rayon administrations and putting in their own officials everywhere. That is, they are creating their own power structures, going beyond the bounds of the agreement.

[Lenskiy] How is the population reacting?

[Zavgayev] The population of the cities and villages (and around 400 population centers and three-fourths of the republic's territory are under our control) was shaken by the surrender of Groznyy. A militia [opolcheniye] is forming spontaneously in Urus-Martan, Gekhi, Toyty, Achkhoy-Martanovskiy Rayon, Znamenka, Gvardeyskoye, and Ken-Yurt. The republic is rising up, remembering the lessons of 1991 when fascist thugs headed by Dudayev seized power and started genocide against their own people.

[Lenskiy] What did happen in Groznyy in the first 10 days of August, why was it so easy for the gunmen to seize the city?

[Zavgayev] The General Prosecutor's Office is investigating it now, so I will not preempt them. Given the presence of a grouping of federal troops tens of times superior to every conceivable estimate of the size of the bandit formations, what happened is inexplicable. President Yeltsin has issued instructions to clarify all the circumstances.

[Lenskiy] What is General Lebed's role in all these events?

[Zavgayev] I sincerely respect Gen. Lebed, I have always had a high opinion of him. From my meetings with him I have formed the impression that he really does want to achieve peace as quickly as possible. But the point is that Aleksandr Ivanovich knows nothing at all about the Caucasus! He has no concept of the nature of the phenomenon known as the Chechen crisis. He has no idea of our people's spiritual and moral values, he does not know their traditions and customs, within which the key to resolving the situation must be sought. Because of his ignorance of these peculiarities and political shortsightedness and the inability to calculate the consequences of his own much-publicized statements, Lebed takes drastic and very rash steps.

Everyone in the republic was worried by the suggestion that it would take him 20 minutes to resolve the problem. There was all kinds of speculation. That he intends to use some new weapon, or else to bewitch everyone. On his first visit he met only with people with a bad reputation who had already left their bloody mark on Budennovsk, Kizlyar, Pervomayskoye, and Gudermes. On his second trip he again met with this same mob, and the talks were of a separate nature. What kind of approach is that? Why not meet with the population, the refugees, the victims of the carnage at dawn on 6 August? With the intelligentsia, the clergy, the parliamentarians, the labor collectives? With the Cossacks and the ethnic communities? Why not visit the villages and cities?

As a result Lebed's information was one-sided and all the complaints, arguments, and justifications came from only one side. From the side of the bandits, who are in conflict with the law and with the people, who are to blame for the fact that for five years blood has been flowing and people have been disappearing without trace, and who, on the eve of Lebed's visit, fell upon Groznyy with machine guns, grenade launchers, and axes and set about mowing people down right and left.

I would not be surprised if, with this approach, the war soon spreads beyond the republic and blazes up all over the Caucasus.

[Lenskiy] You are often accused of refusing inter-Chechen dialogue.

[Zavgayev] I originated the idea of inter-Chechen dialogue. I am constantly involved in a negotiating process thanks to which thousands of gunmen have returned to normal life. I am categorically opposed to the use of force, but unfortunately there is no alternative today.

[Lenskiy] What do you think about the separatists' leaders?

[Zavgayev] Apart from an entry in their passports, they have nothing in common with the Chechen people. They remember their nationality when it suits them, when they can get a foothold in the power structures. That is all they want.

[Lenskiy] Have you met with Yandarbiyev and Maskhadov?

[Zavgayev] I have not had contact with either of them. They do not recognize the Chechen Republic as an integral part of the Russian Federation. There can be no compromise here. The Chechen people are one of the peoples of multinational Russia. I can make no concessions on this matter. On everything else I can. An amnesty, elections, appointments to any post, including the one I hold. As long as it leads to peace.

[Lenskiy] What is to be done next?

[Zavgayev] Talks must be held, but you can't turn the gunmen into the authorities. Only the people can hand over power. If early elections are necessary, fine, I'm ready for that.

[Lenskiy] Have you submitted your proposals to the Russian president?

[Zavgayev] I talked with the president on the telephone on Friday. He confirmed the correctness of my judgments and practical steps.

[Lenskiy] Doku Gapurovich, the gunmen have put a big price on your head. Aren't you afraid for your life, have you not considered leaving your post if only for reasons of safety, and leaving Chechnya for good?

[Zavgayev] It's not much fun. I am prompted by moral duty. I was born there, I began my career there as a fitter in a sovkhoz workshop. I did not omit a single rung of the ladder of service, I went all the way to chairman of the Supreme Council. I know people, people know me, otherwise they would not have invited me at such a difficult moment. At this crucial time I cannot abandon my compatriots and betray the people's trust.

Russia: Chechnya's Zavgayev, Koshman Accuse Lebed of Treason

MK2808133896 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 28 Aug 96 pp 1, 3

[Interview with Head of the Chechen Republic Doku Zavgayev and Prime Minister Nikolay Koshman by Yuliya Kalinina in Moscow, on Monday [26 August]: "How Lebed the Hawk Has Become a Dove. Doku Zavgayev Visited MOSKOVSKIY KOMSOMOLETS' Office a Day Before His News Conference" — first six paragraphs are introduction, last four paragraphs, postscript]

[FBIS Translated Text] On Tuesday the Security Council secretary was planning to meet with the president in order to discuss with him details of the political settlement in Chechnya and to get his "go-ahead" to take further action. But Yeltsin left the Kremlin for a vacation 100 km from Moscow, and the presidential press service said that no working meetings were planned for that day.

Yeltsin seems to be avoiding Lebed. Or, maybe, Yeltsin is being hidden from Lebed. Why? Common sense suggests that yet more intrigues may have emerged during the peace settlement process....

On Monday, Head of the Chechen Republic Doku Zavgayev and Premier Nikolay Koshman visited MOSKOVSKIY KOMSOMOLETS' office. The guests brought with them a document entitled "The Transcript of the Basic Contents of Security Council Secretary A.I. Lebed's Conversation with Tim Guldimann, Head of the OSCE Mission in Chechnya," dated 5 July. Judging from this document, a month and a half ago Aleksandr Ivanovich was hewing to absolutely different views on the Chechen settlement problem, which were diametrically opposed to his current stance.

"The Security Council secretary pointed out that.... if the bandit formations of the separatists made any serious inroads against federal troops, the federal authorities would no longer waste time holding fruitless negotiations with Yandarbiyev and his entourage. They would take the requisite actions, including a combined-arms operation and the introduction of 10 Cossack regiments to the republic so as to finish off the bandits and thus to definitively resolve the problem, regardless of what the OSCE mission or anyone else might think about it.... In response to insistent and repeated attempts by Tim Guldimann to secure A.I. Lebed's consent to a meeting with Yandarbiyev, who was "pinning his hopes" on the Security Council secretary, the latter said that Chechnya has a legitimate government headed by D. Zavgayev and that Yandarbiyev should hold talks with representatives of just these authorities."

It seems that something must have happened over the two weeks that have passed since Lebed was appointed the president's authorized representative in Chechnya. But what could have so powerfully shaken the general that he has made a U-turn overnight?

We attempted to discuss the problem of Lebed's transformation from a hawk into a dove with our guests, Doku Zavgayev and Nikolay Koshman.

[Kalinina] What is the matter? What explanations do you have as to what has happened to Lebed?

[Koshman] This is something that even we have difficulty grasping. Lebed arrived in our republic at night, accompanied by some dubious people from Dagestan, and Novyye Atagi — like Novyye Vasyuki — has become the place of his meetings. [Novyye Vasyuki is the fictitious town from "The Twelve Chairs" by Ilf and Petrov. It conjures up the image of an out-of-the-way place that aspires to greatness.] Not Groznyy, not Gudermes, not Urus-Martan, but the place where Yandarbiyev constantly stays.

[Zavgayev] To come to Atagi at night, secretly, with some people who have caused much speculation, to talk, and to form an opinion.... His initial stance — to work only with the legitimate government — was immediately forgotten. But on the other side he deals with notorious people who cannot direct him toward any good things.

[Koshman] For instance, he was accompanied by the Khachilayevs from Dagestan, two brothers. Everyone knows what sort of people they are.

[Kalinina] And what are they?

[Koshman] Very serious Mafiosi. Fish, oil.

[Kalinina] That is, you think that Lebed has chosen the wrong track for the peace settlement?

[Zavgayev] I think that what is going on in the republic is a coup d'itat in which the federal center is involved. Or, to be more precise, it is some of its people, tasked with finding a way out of the situation, who are involved.

[Kalinina] And what way out do you suggest? To go on fighting the separatists?

[Zavgayev] No. We should find peaceful methods. But handing power over to a criminal is not a way out either.

[Kalinina] But what is to be done about them?

[Zavgayev] This is a somewhat more difficult question. Yet attempts by certain Moscow officials to propose simple, but wrong solutions as soon as they come to power should simply be stopped. Our republic has been turned into a test range to try out newly appointed Moscow bureaucrats.

[Kalinina] It is quite understandable as to why you are incensed by this situation. Lebed is holding talks on the political settlement with the separatists, while the Zavgayev government appears to have been factored out, or so it seems. But how do you imagine your role in this process? How can Zavgayev's authority exist next to the authority of, let's say, Maskhadov?

[Zavgayev] We are striving for peace, and we are ready to accept any compromise as we walk along this path. We have invited them to join our parliament, government. We have secured an amnesty for them. Any person who might have breached the law may return to normal life. Those who wanted to give up criminal activities have already done so. But there is yet another group of people, Maskhadovs, Yandarbiyevs. We, too, are in favor of holding talks with them, but these talks should not lead to the transfer of power to the people who have committed — arms in hand — what has occurred there. Their hands are smeared elbow-deep with the blood of the Chechen people. Power may not be handed over to them.

They have agreed to set up joint commandant's offices. Essentially this amounts to the transfer of power because a commandant's office is a manifestation of power. A rebel of yesterday is legitimized, he receives the right to bear arms, to use them against those who fought for the integrity of the country and defended the constitutional framework. Now it is the rebels who are outlawed. This is not the establishment of peace, but preparation for a new war on an even larger scale.

[Kalinina] The current focus of Lebed's talks with Maskhadov is not on Chechnya's status, but on a mechanism for defining it; that is, a referendum — when it can be held, and how. After all, this does not mean that they sit at the negotiating table and decide between themselves whether or not Chechnya should be independent, what regime will be established there and who will be the head of the republic. Or does it?

[Zavgayev] Look. This is the agreement of 8 December 1995, signed by Chernomyrdin, Zavgayev, and Lobov. They agreed to recognize the creation of a special status for the Chechen Republic as part of the Russian Federation. What can Lebed and Maskhadov be talking about? What kind of special status, if this has already been adopted and this question has already been decided on?

[Kalinina] Who has actual authority in Groznyy nowadays?

[Koshman] At present there is no authority in Groznyy. Under the agreement signed by Lebed all troops are being pulled out of Groznyy and the city is being effectively surrendered. The people who are currently coming there will seize power.

Just look at the peace agreement. Maskhadov signed it as deputy chairman of the Defense Council of the Chechen Republic. No Ichkeria is even mentioned there. But we have no such agency as the Defense Council here, in the Chechen Republic.

I asked Lebed: "How come a man who has no legal right to do so affixes his signature on behalf of the Chechen Republic, even though he does not represent its authorities?" He responded: "I consider you as the Chechen Republic No. 1, and they are the Chechen Republic No. 2."

It turns out that by signing this document Maskhadov confirmed that Ichkeria is but a dummy and a sham, while Aleksandr Ivanovich, having signed this agreement as the state's No. 3 person, appears to have thus removed from office both the legitimate government and the head of the republic.

[Zavgayev] We headed the Chechen Republic, and they were Ichkerians, but now it is they who appear to have become the leadership of the Chechen Republic.

[Kalinina] But you actually have no real authority over the entire territory of Chechnya, or do you?. For instance, two weeks ago the Emergency Situations Ministry sent a planeload of medicines to Chechnya, but no one could accept this cargo and allocate it between hospitals. A representative of the Emergency Situations Ministry was dogging your footsteps, Nikolay Pavlovich [Koshman], asking you to accept the medicines, but you could not do that. The aircraft is still in Vladikavkaz.

[Koshman] They should have been unloaded at Severnyy [airport], not at Vladikavkaz, then we could have sorted out everything. But now there are only 18 tonnes instead of 23. I do not know where the 5 tonnes have disappeared. Vladikavkaz is Ossetia, not Chechnya. So this question should be addressed elsewhere.

As for humanitarian aid, everything has gone off smoothly. We delivered it to Severnyy and now it has been transported by helicopter to Urus-Martan, Znamenka, and Staraya Sunzha.

[Kalinina] It turns out that you are bringing humanitarian aid only to the centers of population where your followers live, for currently these villages back the Zavgayev government, don't they?

[Koshman] Yes. I am in favor of this approach. If a district stands for independence from Russia, why should Russia feed it? Elders from Vedeno Rayon came to me on the eve of the presidential elections, saying: We will not vote for Yeltsin. I told them: So you will not get your pensions or compensation. Vote for the man who will pay them to you.

[Kalinina] But thanks to such a differentiated approach to the distribution of humanitarian aid the republic is increasingly breaking up into the followers of "these" and "those."

[Koshman] "Those" have virtually no followers.

[Kalinina] I have statements by 50 local administration chiefs admitting that elections were not held in their villages. Your enemies live in these very villages. They are also fairly numerous. There is no telling by eye how many Chechen back "you" and how many back the "separatists." A referendum is needed to determine that.

[Koshman] What Chechnya needs at present is a carrot. At least something should be given to the people.

The city has been ruined yet again. A second Carthage. Why should they have entered Groznyy? You want to fight the federal troops — here is an open field, go and fight there. No, they went to the city again. How will people live there in winter, how will children go to school there? Funds are urgently needed in order to restore at least anything.

[Kalinina] All the newspapers write is that trillions of rubles have disappeared in Chechnya like in a black hole. And there you go again, asking for more money.

[Koshman] Nothing has been appropriated to us this year. We have received 750 billion rubles, but all this money has been spent to repay debts here, in Moscow. It has never even reached the republic. The thing is that in 1995 the republic was financed from Moscow. Money was transferred from the Finance Ministry to the Construction Ministry. There, at the Construction Ministry, everything was accepted, commissioned, and accounted for. There were no state commissions, no one checked what was done and what not.

[Zavgayev] All financial suspicions date back to last year. But during the period when Koshman and I have been in power we have not received even one ruble.

[Kalinina] What do you think should be done about a military settlement? Should the agreement signed by Lebed and Maskhadov be canceled?

[Koshman] There is a presidential edict: Everything should be brought back to the situation as of 5 August.

[Kalinina] Do you mean that the fighting should continue?

[Zavgayev] Everything should be done within the framework of the Constitution and the law. We should not discard what has already been done. At present, treachery is under way; we have surrendered the ground we have won. We have ceded the city to them. There are currently 200,000 people there. Now they will be subjected to mass reprisals. That is to say, this is not an end to the war, this is a mythical peace. Yes, we should negotiate with them, but not at the price of surrendering cities, not at the price of surrendering the population of the republic.

[Kalinina] Otherwise this would be at the price of Russian soldiers' lives.

[Zavgayev] We are all Russians [rossiyane]. The women and children who get killed there are also Russians. And about 100,000 of them have already been killed.

We have a huge social base. We have more than 1000 bureaucrats, those whom we have appointed and who pursue our policy. But things cannot be done like that: We pretend not to see some, but talk with others because they carry guns. People on our side also have guns, but they simply do not shoot yet. It is small secret that our people are armed. But they are not bandits, they keep arms for protection.

[Kalinina] And can internal clashes begin if troops are withdrawn?

[Zavgayev] Of course. Such an abrupt pullout can bring about a civil war. The Afghan option. Even at this stage 2,000 people in the village of Urus-Martan have armed, wishing to march on Groznyy. People do not want this regime to come to power again.

[Kalinina] What currently is your psychological frame of mind? When you see television reports, for instance, showing announcements: "Exchange a car for Zavgayev...." And so forth. Essentially, you have been sentenced to death.

[Koshman] Yes, when the assault on the House of Government began, the rebels' first objective was to kill the Mongolian (this is how they call Doku Gapurovich). But we were at Severnyy, we had left on the previous evening because we had been invited to the baths. Afterward all sorts of disinformation was disseminated: Now they said he had been killed, then that he had fled and abandoned the government....

[Zavgayev] If we are to stop the war, first of all we ought to restore schools, colleges and universities, create jobs, set up military construction brigades. We should enter into any talks at any level, stopping short of betraying the republic or breaching the Constitution. We are ready to hold an early election, even in a month's time. We are not clinging on to power. There is no power there. A normal, physically sound person would not go in the fray unless a moral duty calls him. We — Koshman and I — are precisely such people. If they tell me: It will be better without you — no problem.

[Koshman] But this should be done legitimately. An early election should be called. Or let him "get sick," if this is in the interests of the cause. But there is no doing of things like what is now being done. [end of Zavgayev and Koshman interview]

Of course, not. Our authorities can "throw over" spent figures with such cynical ease that you cannot help but be amazed. But if a different route is chosen, if bets are now placed on peace with the separatists, and if priority is given to "the Chechen Republic No. 2" why should we necessarily betray, exposing to mortal danger, those on whom the authorities relied just a month ago? Can't we do it like human beings should: Send them on a vacation, recall, pronounce them "sick." Let them go with dignity.

And what about violations of the law and the Constitution that may occur in the process? There is nothing to be done about it.... The conflict in Chechnya has made so sharp a turn that you cannot negotiate it and comply with all the rules at the same time. The same applies to Lebed's signing of the peace agreement with the illegitimate authorities. Let him sign whatever he wants, provided this will help end this irrational nightmare of mass carnage....

Yet, the press service of the Security Council secretary offered a different explanation for Lebed's harsh tone during his July conversation with OSCE representatives in Chechnya: Aleksandr Ivanovich probably did not want to establish contact with the separatists through Guldimann, because the OSCE's former peace initiatives had not succeeded. Lebed was looking for different middlemen, but he did not intend to let this be known to the world's public. As for oil and fish kingpins, a total

109 railway tank-cars with oil have disappeared during Zavgayev's rule, Aleksandr Lebed's press secretary said. For this reason, had Lebed now started working together with Zavgayev, ill-wishers would have undoubtedly emerged who would say that Aleksandr Ivanovich deals with an oil (or any other) magnate. Accusations of this sort are an inalienable component of "oriental" combinations played in the struggle for power.

P.S. After Zavgayev's news conference at which Chechen leaders hurled the most uncomplimentary assessments at Lebed, the latter's press secretary recalled that Zavgayev had repeatedly gotten bogged down in lies. "Everyone remembers his statements to the effect that he is in control of the situation in the republic or that there were only 10-15 rebels left," the press secretary noted. "For this reason all the current utterances by the head of Chechnya are but a continuation of these lies."

Russia: Zavgayev's Attack on Lebed Seen as Self-Preservation

MK2808133396 Moscow SEGODNYA in Russian 28 Aug 96 p 1

[Report by Mikhail Leontyev: "An Overdose of Antilebedin"]

[FBIS Translated Text] There is an expression: "to eat henbane and go mad." [Henbane is a poisonous Old World herb] At first glance it might seem that this is precisely what Doku Gapurovich Zavgayev, head of the pro-Russian government in Chechnya, has done. Yet he has obviously ingested something else — but just as bad. His statements about a possible outbreak of civil war in Chechnya after the pullout of Russian forces — according to an Afghan scenario — have some rationale. Chechnya is a totally divided country where Mr. Dudayev, even in the heyday of his career, did not control more than half the territory, and certainly did not enjoy the support of more than half the Chechens. The departure of the "federals" from Chechnya might bring about something which, just as in Afghanistan, would make all the sacrifices of the "Russian occupation" seem like child's play (It is another matter that Russian soldiers will stop dying). The division of power with international terrorists — and many of the authoritative Chechen opposition leaders are definitely such — and the prospect of Chechnya's turning into a "haven of anti-Russian terrorism" in the Caucasus — this is a real threat.

Doku Gapurovich [Zavgayev] is not simply lying — he is lying blatantly and senselessly.

Even assuming that Gen. Lebed is the devil incarnate, it has yet to be accepted that the Zavgayev militiamen ran away and deserted on Lebed's orders; that Russian Internal Affairs Ministry officers let the separatist fighters bribe their way into the city also on Lebed's orders; and that Gen. Pulikovskiy, who lost his son in Chechnya, was frightened to death and submitted to the traitor's orders without a whisper, and surrendered the city to the enemy. Because there is this hard fact: Lebed had no express authority to command the power structures in Chechnya. The deliberate "surrender" of Groznyy by the Russian army is the same kind of chimera as Mr. Zavgayev's control of the rest of Chechen territory.

Doku Gapurovich [Zavgayev], however, is a conservative; he is rather cautious, and is the kind of person who never does anything on the spur of the moment. His whole track record points to this. If Mr. Zavgayev started saying such crazy things about Lebed, he did so because he had to. At this stage Mr. Zavgayev understood that if he is the "price of the issue" at the negotiations with the separatists, there is no reason for not paying this price. If all Russian soldiers literally call this "a sell-out war," Doku Gapurovich's role in this "commercial" activity — if not as the ultimate party to the buy-and-sell process, then at least as the person who accounts for a substantial part of the transaction costs — is obvious. In any event, it is no accident that both last time and this time the priority targets of attack by the separatist fighters during the storming of Groznyy were a railway freight station, rebuilding sites, and money transfer points.... In the old days, even in St. Petersburg there was a numerous group of people who impatiently looked forward to floods.

Zavgayev has only one motive. The fear of Lebed in rival centers of power is so strong that his only hope of staying afloat is to do his utmost for those who fear a strengthening of Mr. Lebed more than any cataclysms, sacrifices, or defeats. Mr. Zavgayev ingested neither henbane nor goose-foot [lebeda — pun on Lebed's name based on the name of this plant]. In this situation, he had to partake of "antilebedin" in immoderate quantities. And thus, like Louis Pasteur, he voluntarily used himself as a guinea pig: either the dose will prove politically deadly or the method of treatment chosen will prove politically correct, based on a realistic assessment of the Kremlin's activity.

Economic Issues

Russia: Yeltsin Edict on Restructuring Organizations' Budget Debt

MM2908092996 Moscow ROSSIYSKAYA GAZETA in Russian 27 Aug 96 p 4

[Russian Federation Presidential Edict No. 1207, signed by President Yeltsin in Moscow on 18 August 1996: "On Measures To Streamline the Restructuring of Organizations' Debts on Compulsory Payments to the Federal Budget and State Nonbudgetary Funds"]

[FBIS Translated Text] With a view to ensuring the unconditional observance of Russian Federation tax legislation and strengthening the revenue side of the federal budget, I decree that:

1. It shall be laid down that deferments (extensions) for the payment of tax payments and fines for the violation of Russian Federation tax legislation, investment tax credits, and the right to carry out other measures envisaged by Russian Federation legislation in settling (rescheduling) debts to the state can be granted to organizations with a total debt on compulsory payments to the federal budget and state nonbudgetary funds (hereinafter, fiscal debt) exceeding 1 billion rubles [R] solely in the event of confirmation of the possibility of repaying their existing debt within the timeframe stipulated by Russian Federation tax legislation, with the simultaneous payment of current compulsory payments to the federal budget and state nonbudgetary funds by interdepartmental balance commissions being set up by the Russian Federation State Committee for the Management of State Property [GKI] Federal Administration for Insolvency (Bankruptcy), the Russian Federation Finance Ministry, the Russian Federal Tax Service, the Russian Federal Tax Police Service, and their territorial organs.

2. Questions of the possible full repayment by taxpaying enterprises of their existing fiscal debt shall be examined by the interdepartmental balance commissions with the participation of representatives of federal state nonbudgetary funds, the corresponding federal executive organs tasked with the coordination and regulation of activities in the corresponding sectors (spheres of administration), and the organs of executive power of the Russian Federation components.

3. If the elaboration of measures for the settlement (restructuring) of fiscal debt reveals a need for the organization in arrears to be granted a deferment on its tax payments and/or on fines for the violation of Russian Federation tax legislation for a period exceeding the maximum period envisaged by Russian Federation tax legislation, such a deferment may be granted to the organization in arrears provided that insolvency (bankruptcy) proceedings are instituted against that organization at the Court of Arbitration and that the Court of Arbitration places the debtor's property in outside administration under the procedure laid down by the Russian Federation legislation on insolvency (bankruptcy).

4. Measures to settle (restructure) fiscal debts may be implemented under a procedure and on terms ensuring the simultaneous pro rata repayment of the tax-paying organization's debts to the federal budget, the corresponding Russian Federation component budget, and the local budget.

5. Organizational and technical backup for the interdepartmental balance commissions shall be implemented by the Russian Federation GKI Federal Administration for Insolvency (Bankruptcy) and by this federal administration's territorial organs.

[Signed] B. Yeltsin, Russian Federation president

[Dated] Moscow, the Kremlin, 18 August 1996
No. 1207

Russia: Government Hike in Taxes on Foreign Trade Counterproductive

MM2808113796 Moscow IZVESTIYA in Russian 28 Aug 96 p 2

[Article by Andrey Illarionov of Economic Analysis Institute: "Best Way of Wrecking Industry"]

[FBIS Translated Text] Recently the Russian Government has taken a number of actions aimed increasing the taxation of foreign economic ties: A tax on "shuttle" trade has been introduced, customs duties on medicines have been increased, the list of countries enjoying a preferential trade status has been cut, and VAT [value-added tax] has been imposed on imports from Ukraine.

In addition, equally exotic innovations are planned: a tax on imports of hard currency in cash and on border crossings by individuals. That may not be the end of the authorities' list of "interesting" ideas.

What will be the consequences of these measures? It is clear that the budget will get barely anything from this. It is also clear that the scale of bribetaking will grow. Methods of tax evasion will unquestionably become more sophisticated. And what will happen to the long-awaited economic growth, which has simply failed to transpire for over two years now?

A comparison of the growth rate of GDP in 101 world countries over the period 1975-1995 carried out at the Economic Analysis Institute revealed that the higher the taxation of foreign economic operations is, the lower the economic growth rate is. And conversely: The lower taxes are, the more successful economic development is.

For instance, the highest per capita growth rates in GDP (an average of 2.2 percent per year) were displayed by countries that either had no (!) duties, either export or import, or else had duties at a very low level — no more than 3 percent of the total foreign trade turnover. On the other hand, the lowest per capita economic growth rates

(0.2 percent per year) were found in the countries with the highest taxes (over 10 percent of the sum total of exports and imports).

At the same time it emerged that the world countries that are developing most rapidly (per capita growth in GDP of over 4.4 percent per year) had an average rate of customs duty of no more than 4.9 percent. While this rate was on average 8.8 percent in countries where production volumes had been falling for the last 20 years.

In 1992-1993 Russia enjoyed an extremely low level of taxation of foreign economic ties. Thanks in particular to this factor, foreign trade was not merely a growing sector of the Russian economy, but a very rapidly growing sector. The annual rates of growth in exports and imports rose to 20 percent.

In 1994-1995 the government increased the effective level of customs rate to 13-14 percent and the volume of taxes actually collected to 8.8 percent of foreign trade turnover. The result was a substantial slowing of the growth rate in foreign trade in 1996. Exports increased only 5 percent in the first six months of this year. It is easy to predict what effect the additional taxation now introduced by the government will have on the dynamics of the economy.

The world market is an extremely strict teacher to national economies. By eliminating obstacles to and restrictions on international exchange, reducing taxes, and abolishing duties national governments are helping not "Turkey" but domestic producers, whose competitiveness only increases as a result.

Russia: Defense Industry Minister Outlines Production Trends

LD2808190996 Moscow ITAR-TASS World Service in Russian 1030 GMT 28 Aug 96

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Translated Text] Moscow, 28 Aug (ITAR-TASS) — Managers of Russian defense enterprises should not hope for a sudden upswing in the country's economy in the near future. They can, however, influence the process of overcoming the crisis situation by preserving and developing the national technology base and also those manufacturing areas in which Russia continues to lead. This was said today by Zinoviy Pak, minister of the Russian defense industry, at a collegium meeting of the ministry held to discuss concepts for the development of production of promising materials in the interests of defense industry sectors based on the country's metallurgy complex.

According to the minister, the basis for a new competitive generation of high-technology manufacturing, machinery, and equipment for civilian and dual purposes is given by the National Technology Base program confirmed by the Russian government on 13 August. This program envisages the development of production of new promising materials and technologies in defense equipment manufacture. Zinoviy Pak provided figures showing that several thousand billion rubles have been allocated in the national budgets for 1996 and 1997 for these purposes.

The minister considers that by developing the production of new promising materials and technologies a whole package of defense and economic problems can be solved: The technological and industrial potential built up in preceding years can be preserved, the gap separating Russia from the advanced countries can be overcome and the functional properties and competitiveness of armaments, defense equipment and engineered goods can be enhanced.

Russia: Varying Estimates of Rising Unemployment Figures Viewed

MM2908090196 Moscow SELSKAYA ZHIZN in Russian 27 Aug 96 p 1

[Article by Olga Akulova under the "The Way We Live" rubric: "At Least We've Caught Up With America"]

[FBIS Translated Text] Not every indicator, it appears, is telling us we are going disastrously downhill. Some indicators are rising, and steadily — from month to month. And according to one we have already in some respects caught up with and in others even overtaken highly developed capitalist countries such as America.

Experts at the Russian Federation Federal Employment Service recently announced that since the start of the year alone the number of officially registered unemployed has increased by 500,000 and stands at 2,771,000 "in round figures."

In reality the number is far greater. But what is it? Nobody can answer this question because everyone calculates it in his own way. The Federal Employment Service puts overall unemployment in Russia at 3.8 percent. The State Committee for Statistics, using its own method of calculation, gives a figure twice as high. As Yuriy Yurkov, chairman of the Russian Federation State Committee for Statistics, recently announced, the number of "superfluous people" has reached 6.3 million, and the number rose by 11 percent in the first half of the year. As calculated by the International Labor Organization, the number of people without work is certainly no less than 9 percent. But despite all the talk the army of the unemployed is growing by 100,000 or even 200,000 every month. And indeed, in an extremely short space of time we have matched the unemployment level of leading world powers, where it is 7-10 percent.

But an unemployed person in the West and one in Russia are, so to speak, worlds apart. In the West he receives unemployment benefit which would appear generous to his Russian counterpart. But in Russia he struggles to obtain his pittance, being ordered from one boss's office to another as he collects various certificates, documents, and even analyses.... Over there a "superfluous" man can even stubbornly insist on work that matches his qualifications, but here he will do anything — he needs to eat.

In Ramonskiy Rayon, Voronezh Oblast, for example, the employment service has doctors, teachers, economists, and agricultural specialists on its books, but only carpenters and bricklayers are currently required. In Ivanovo Oblast, where 158 (!) people compete for every job that arises, opportunities are generally few and far between. For the women who until recently were weavers there is at present probably only one enticing opportunity: A commercial firm requires an English-speaking secretary no older than 24. They would love to, but....

In Russia as a whole for every vacancy that appears there are now nine people registered as unemployed at the employment service (last year it was six). The chances of finding work are extremely remote because the number of unemployed continues to grow and vacancies are not appearing. Rural unemployment has become a huge problem — kolkhozes and sovkhozes are collapsing, kindergartens, schools, and subsidiary enterprises have closed. The creation of one new job costs 6 million rubles. And where do you find that sort of money!

Everyone has his own way of dealing with the problem. Accountants retrain as tailors, teachers switch to home-based weaving, knitting, and needlework. In almost every village in Arzamasskiy Rayon, Nizhniy Novgorod Oblast, the unemployed are helping to revive cottage industries. Much as this may gladden the heart, it hardly supports the family.

If we are to believe the statistics, unemployment benefit is received by only seven people in 10, half of whom receive it at a minimal rate. The duration of unemployment has also increased — it now stands at six months, and one in three people spends eight months looking for work. Every year higher educational institutions, technical colleges, and schools swell the army of "superfluous" people. The number of unemployed under the age of 30 is, according to some estimates, 2.3 million. This year many people made straight for the labor exchange as soon as they received their diploma or certificate.

So the old joke now rings hollow: Give us work, we don't care about the money. That's just how life really is now....

International Affairs

Ukraine: Explosives Discovered on Plane En Route to Azerbaijan

LD2808202496 Zagreb HTV Television in Serbo-Croatian 1730 GMT 28 Aug 96

[FBIS Translated Text] Three tonnes of explosives and 229 kg of radioactive material, including cobalt and cesium, have been discovered by Ukrainian police on board a plane which landed in the city of Lvov.

The plane was flying from the Dutch city of Maastricht to Baku in Azerbaijan and landed in Lvov to refuel. The plane belongs to the Ukrainian national airline but is currently leased out to a British firm whose name is not yet known.

The explosives and the radioactive material were not declared at the customs when the plane left Maastricht, but owing to the conscientiousness of a Ukrainian customs official they were discovered and the proceedings instituted.

The smuggling of radioactive material has been on the increase throughout the former Soviet Union.

Ukraine: Kuchma, U.S. Senator Meet To Discuss Economic Cooperation

WS2908082996 Kiev INTELNEWS in English 0509 GMT 29 Aug 96

[FBIS Transcribed Text] Kiev, Aug. 28 — President Leonid Kuchma met U.S. Senator Richard Lugar on Wednesday [28 August] to discuss economic and agricultural cooperation.

Head of the President's press-service Dmytro Markov said that during the meeting, Kuchma told Lugar and William Miller, the U.S. Ambassador to Ukraine, that the passage of Ukraine's Constitution has generated the right conditions for foreign investment.

The President described agriculture as the Ukrainian industry most in need of foreign investment, and Lugar said that Ukraine and the United States could effectively collaborate to become "world granaries, supplying all countries."

Ukraine: Kuzmuk Informs U.S. Senator of Disarmament Program

LD2808192596 Kiev UNIAN in Ukrainian 1645 GMT 28 Aug 96

[FBIS Translated Text] Kiev, 28 Aug UNIAN — Ukrainian Defense Minister Lieutenant General Oleksandr Kuzmuk has met U.S. Senator Richard Lugar, who is currently visiting Ukraine.

The UNIAN news agency learned at the Ministry of Defense press service that at the meeting Kuzmuk informed Lugar of the withdrawal from Ukraine of all the nuclear warheads and the deactivation of 176 intercontinental ballistic missiles. The minister also said that 90 SS-19 intercontinental ballistic missiles had been decommissioned and a station for the full neutralization and recycling of missiles of this class had been redesigned in Dnepropetrovsk. An integrated contractor — "Bechtel" — has been chosen to liquidate silo launchers as well.

The U.S. senator, in turn, expressed satisfaction with Ukraine's "professional and effective" implementation of its obligations under nuclear disarmament. He stated that after meeting the Ukrainian leaders he has "no doubts as to the continuity of Ukraine's policy of ensuring its security."

Ukraine: Ukrainian Peacekeepers To Remain in Bosnia

LD2808182496 Moscow INTERFAX in English 1710 GMT 28 Aug 96

[FBIS Transcribed Text] KIEV, Aug 28 (Interfax-Ukraine) — The Ukrainian Defense Ministry thinks it would be desirable to continue the peacekeeping operations in Bosnia and Herzegovina and have Ukrainian units take part in them, Col. Vladimir Rybitskiy, head of the U.N. Relations Division in the General Staff's Foreign Relations Board, told a briefing in Kiev Wednesday.

A decision has to be made on further participation of the 240th special battalion stationed in Sarajevo, in operations designed to enforce the Dayton agreement, he said.

The Ukrainian peacekeeping company in Angola will be replaced in September; the Ukrainian battalion involved in peacekeeping operations in Eastern Slavonia, Croatia, in October; and the 240th battalion, from November 11, Rybitskiy said.

"The composition of the peacekeeping force in Eastern Slavonia will probably be changed," he said. In particular, a tank company and four helicopters will be withdrawn before the end of the year, Rybitsky said. The Ukrainian units in that area have effectively done their part, he said.

Sixteen Ukrainian peacekeepers were killed and 51 injured in various peacekeeping operations over four years, Rybitskiy said.

Fifteen of them died in Bosnia and one in a road accident in Angola, he said. A total of 1,100 to 1,200

Ukrainian servicemen are involved in peacekeeping operations at a time, Rybitskiy said.

Ukraine: Official Discusses Russian Space Cooperation Pact

LD2808131196 Moscow INTERFAX in English 1111 GMT 28 Aug 96

[FBIS Transcribed Text] Kiev, August 28 (Interfax-Ukraine) — The intergovernmental Ukrainian-Russian agreement on cooperation in the field of outer space research and peaceful uses of outer space, signed on 27 August in the course of the Ukrainian Prime Minister's visit to Moscow, is of a general framework character.

A statement to this effect was made in "IF-U" interview by Eduard Kuznetsov, deputy director general of Ukraine's National Outer Space Agency (NOSA).

According to him, the agreement provides for cooperation in the field of branch science, joint use of rocket-space equipment, mutual services in the outer space sector, and carrying out joint projects.

Eduard Kuznetsov described the participation of the two states in the international program "Interball" aimed at fundamental exploration of the near-earth space, as an example of the successful bilateral cooperation in the space field.

In his words, the spaceship "Prognoz-M2" will be launched from Baykonur space-vehicle launching site on 29 August, within the "Interball" framework. E. Kuznetsov recalled that the first spaceship "Prognoz-M1" was launched in August last year.

In keeping with the Ukrainian-Russian agreement reached in 1995, the satellite flight control under the "Interball" program is being exercised by the outer space communication center in Yevpatoria.

The program has been calculated for five years, and is expected to be completed in 2001.

The Ukrainian share of costs on the participation in "Interball" is around $250,000 (nearly 10 percent of the total cost of the project), which is to be granted by NOSA.

Ukraine: Kuchma, OSCE Official Discuss Repatriation of Crimean Tatars

LD2808184496 Kiev UNIAN in Ukrainian 1645 GMT 28 Aug 96

[FBIS Translated Text] Kiev, 28 Aug (UNIAN) — "Although Ukraine is neither politically nor legally responsible for the deportation of the Crimean Tatars, it is doing all it can to ensure their return and to resettle them in their historical motherland," Ukrainian President Leonid Kuchma said at a meeting with OSCE High Commissioner on National Minorities Max van der Stoel.

A UNIAN correspondent reports that Kuchma stressed that Ukraine cannot "solve this problem on its own without the participation of other countries".

Max van der Stoel noted, in turn, that the international community must provide more active support for the resettlement of Crimean Tatars in Crimea. He assured the head of the Ukrainian state that he will be recommending that the OSCE should "grant Ukraine the necessary support."

According to him, in Crimea, the OSCE mission has carried out explanatory work among representatives of ethnic minorities, in particular Crimean Tatars, on "the nonincitement of separatist moods in the region."

Max van der Stoel expressed his satisfaction with Ukraine's implementation of its obligations under the OSCE.

National Affairs

Ukraine: Speaker Promises Ratification of Crimean Constitution

LD2808135196 Kiev UNIAN in Ukrainian 1110 GMT 28 Aug 96

[FBIS Translated Text] Kiev, 28 Aug — The Constitution of the autonomous Republic of Crimea will be adopted during the sixth session of the Ukrainian Supreme Council [parliament], Oleksandr Moroz, the chairman of the Ukrainian parliament, said during a meeting with Max van der Stoel, OSCE High Commissioner on National Minorities .

In his words, consultations between the Ukrainian and Crimean parliaments are continuing at present at the level of deputy speakers. The Ukrainian Supreme Council Commission for Legal Policy and Court and Legal Reform is also working on the Crimean constitution.

Touching on the issue of the electoral system in Crimea, Oleksandr Moroz noted that the rights of national minorities should not be infringed. At the same time, he noted that the issue of quotas for national minorities is up for discussion and needed to be studied further.

In the opinion of Moroz, the OSCE mission has fulfilled its task in Crimea. "We still have many problems in the area of national minorities, but they are of a local nature and will be resolved on the basis of the new Ukrainian constitution," he stressed.

Ukraine: Investigation Launched Into Parliament Chairman Kidnapping

LD2808135096 Kiev UNIAN in Ukrainian
1110 GMT 28 Aug 96

[FBIS Translated Text] Simferopol, 28 Aug (UNIAN) — The prosecutor of the autonomous Republic of Crimea has launched a criminal case into, and is investigating the kidnapping of, Crimean Supreme Council Chairman Yevheniy Suprunyuk, which took place in the early hours of 25 August.

The press center of the Crimean prosecutor's office told UNIAN that top experts had been drafted to investigate the case. Criminal, ballistic, biological, and handwriting experts will also conduct their investigations.

According to the press center, a number of officials and citizens have been questioned. The militia has been instructed to investigate persons and vehicles that are under suspicion.

The investigation is being complicated by the fact that information about the kidnapping of the Crimean speaker was only received by the prosecutor's office twenty-two and a half hours after the incident had come to the attention of the authorities.

Ukraine: Local Crimean Official Found Murdered

WS2908084496 Kiev INTELNEWS in English
0509 GMT 29 Aug 96

[FBIS Transcribed Text] Simferopol, August 28 — Oleh Pasko, chairman of the Partenitsk Town Council in the Alushta region of Crimea, was found dead on Tuesday with a gun shot wound in his temple and a knife wound across his throat, and investigators are speculating that his murder may have been linked to small-scale privatization in the region.

Pasko was found in the elevator of his apartment building, but militia officials found no footprints or other traces of evidence, and they speculate that there may have been two killers. Pasko's relatives reported that he had been concerned about his safety for some time, but no details were given as to the reason for this concern.

According to unofficial information, Pasko was connected with a Crimean real estate firm called Atta, and investigators said they suspect possible economic motives behind the slaying. As a local official, Pasko had influence over small-scale privatization, particularly on the south coast of Crimea, where there is fierce competition for the so-called "influential zones."

Business conflicts also existed between Pasko, a member of the Economic Rebirth party, and the Mayor of Alushta, Oleksandr Kaliadin. A well-informed source in the Crimean Security Service told INTELNEWS that an investigative group in the prosecutor's office, including the militia and the security service, are investigating possible political motives for Pasko's murder. The source reported that witnesses, including Pasko's body guards, have given conflicting evidence in the case, and investigators said that a thorough investigation of the murder was hampered by the fact that the elevator was cleaned after the incident by building personnel.

Ukraine: Dniester Leader Views Relations With Ukraine

WS2808144596 Kiev UKRAYINA MOLODA in Ukrainian 21 Aug 96 p 3

["Exclusive" interview with Igor Smirnov, president of the unrecognized Dniester Moldovan Republic, by Yuriy Doroshenko; in Kiev; date not given: "Igor Smirnov: I Have Always Tried With All My Strength To Involve Ukraine in Relations Between the Dniester Republic and Ukraine. An Interview With the President of an 'Independent State With All Attributes' in an Ordinary Room of the 'Moscow' Hotel in Kiev"]

[FBIS Translated Text] A two-day consultative visit by the Dniester Republic [Naddnistryanshchyna] delegation to Kiev, despite the unrecognized character of the republic, was quite saturated with events. Therefore, it seemed an unrealistic task to catch hold of the head of the delegation, Dniester Moldovan Republic President Igor Smirnov, in the whirl of diverse conferences and talks. However, as usual, assistance came from ubiquitous fellow countrymen. The delegation included the head of the Association of Ukrainians of the Dniester Republic, Oleksandr But. He, having heard that UKRAYINA MOLODA needed assistance, immediately became our partner in hunting for a free moment of the republic's leader. (Mr. But remembers UKRAYINA MOLODA since the time of vigorous reporting on the Moldova-Dniester Republic conflict that broke out four years ago.) Thus, a UKRAYINA MOLODA correspondent found himself before the door of a double, far from being luxurious, room in the "Moscow" Hotel. The door was opened by the president himself, dressed in an unpretentious sports suit, which dispelled my view of presidential habits. "Good day, come in, please," he said in the Ukrainian language, to which he gave the status of the second official language in his republic. We will note at the outset that UKRAYINA MOLODA would prefer not to take upon itself responsibility for some categorical expressions of our interlocutor.

[Doroshenko] Igor Nikolayevich, I would like you to give us an exhaustive explanation of what a political-

administrative entity such as the Dniester Moldovan Republic presents today.

[Smirnov] The Dniester Republic occupies almost 12 percent of the territory of the former Moldavian SSR and comprises 740,000 people. In terms of their ethnic composition, 30 percent of them are Ukrainians, 30 percent are Moldovans, and 26 percent are Russians. Our region is fairly well developed industrially: we have 37 percent of the total Moldovan industrial potential. The extensive Ukrainian-Dniester Republic relations may be explained not only by historical traditions and ethnic composition (the region was previously included in the Soviet Ukraine), but also by the integrated economy and common border that extends for a distance of almost 270 km. We also have the Dubossary Hydroelectric Power Plant and the Moldovan State Rayon Electric Power Plant which formerly belonged to Ukraine's single power engineering system.

As of today, the Dniester Moldovan Republic, after having withstood six years of military aggression, and the current hidden economic blockade, has all the attributes of an independent state: its own parliament, presidential administration, Constitution, and troops.

[Doroshenko] **However, what has pushed your region into the terrible conflict between the Dniester Republic and Moldova and, as a consequence, into isolation and nonrecognition?**

[Smirnov] There has been no Dniester-Moldovan conflict. Instead, there has been a genocide provoked by the Moldovan leadership against their own people who inhabited the Dniester region. The creation of our republic was a defensive reaction to the Moldovan nationalism. Over the long history of the Dniester region, this territory has formed a population that — even if it fails to satisfy the strictly legal definition of a nation — possesses its own political and cultural features, different from other nations. These people — Moldovans, Ukrainians, Russians — jointly built their homeland and considered it their native land. Therefore, when they began to be driven out of their land, they rose to defend their own rights.

Everything started with the differentiation between "indigenous" and "nonindigenous" citizens of the state. From the very beginning, we were working to create a free economic zone. The Moldovan parliament, to which I also was a deputy, did not allow us to do that. At that time, there was a chance to settle all problems peacefully, but now — when the Dniester Moldovan Republic, after prolonged military actions, suffered a total of 700 deaths and 3,000 injuries — it is very difficult for us to speak about rapprochement with Moldova, even if in principle we could take such a step. In 1992, the people of the Dniester Republic defended themselves with their own means. Incidentally, the function of the much praised 14th Army, which was talked of a great deal, was very limited: the soldiers sat in their barracks and only observed what was happening. Aleksandr Lebed's positive role was only in the fact that he was the first to inform the public about the genocide of the civilian population in the Dniester Republic.

Everything had to occur as it occurred, because there were forces interested in creating instability in the Dniester Republic and in obtaining their own political dividends. We always believed that human rights are the highest value, therefore, according to the Dniester Republic legislation, we have dual citizenship and three official languages. Please, note that there has been no ethnic conflict in the republic in the past six years.

[Doroshenko] **How is the sociopolitical and economic situation in the region affected by the blockade that you mentioned?**

[Smirnov] We have many problems similar to those in Ukraine, primarily in the economic sector. The blame should be attributed to the breakup of economic ties and reorientation of markets, as well as to the lack of legal regulations between our neighboring countries. However, despite the lack of great raw materials in the republic, we managed to maintain production at 60 percent of the 1990 level. We were forced to introduce our own monetary unit, create a bank, and reorient the production sector. We did not remain on the sidelines of market economy processes, but we were able to find our own path and avoid an all-out privatization. Now we are transforming enterprises into joint stock companies: we have recently begun selling shares of the Moldovan State Rayon Electric Power Plant, joined to the "Rosgaz" joint stock company. It is interesting that the 60 percent of electricity from this plant is received by Moldova, which does not invest any, even meager, funds in it. There are many private enterprises in the Dniester Moldovan Republic, but we are convinced that the privatization of enterprises that work badly means deceiving people.

I, as the head of government, am very worried by the breakup of ties which has made our states abandon their traditional markets to foreigners, primarily representatives of Western structures. I have nothing against this, but they are increasing their capital at our expense and creating additional jobs for their own people. Let us take a simple example: imported wines and juices of a rather poor quality prevail in Ukrainian shops now. And we suffer from the impossibility of selling our wine growers' products, which earlier were liked by everybody. The sales are hampered by restrictions imposed in a plethora of legal acts. Due to the economic blockade, losses are incurred not only by the Dniester Republic, but also by Ukraine and Moldova; in the long run — ordinary people will suffer from this.

Having passed the law "On Local Self-Government," we are trying to devolve power to local bodies, but we realize that the guarantor of independence in this process is the president of the republic, so we are trying to avoid distortions.

[Doroshenko] **Mr. President, could you disclose more details about the principles underlying the regulation of the crisis in relations between Chisinau and Tiraspol; this regulation was recently initiated against all odds. How much depends on Ukraine and Russia in this process?**

[Smirnov] As I have already noted, we have to build our relations with Moldova step by step. A positive event on this path was the meeting of the presidents of Ukraine, Russia, and Moldova, which took place early this year. It has been understood that all problems should be resolved peacefully; Ukraine has taken an interest in our negotiations. I have always tried with all my strength to involve Ukraine in relations between the Dniester Republic and Moldova as a mediator and guarantor. And I was very astonished to see your state standing on the sidelines and reluctant to obtain additional political dividends in the international arena. I am very grateful to Ukrainian President Leonid Kuchma for his consent to send his representative to our republic. I will note that Russia had done this considerably earlier.

Today we do not believe Moldova. We believe Ukraine and Russia and therefore ask them to become guarantors of our security. It is not worth comparing your precedent with Crimea to our situation — these are quite different things. We have agreements signed by Moldovan President Mircea Snegur, which granted us the right to economic independence and cultural development without external interference, while in other spheres everything should take place under mutual agreement. This, of course, falls into the category of autonomy, but autonomy, like federation or confederation, cannot be established here in a pure form. Our relations have already formed, and one should take this into account. However, attempts are being made to cheat us once again. They say "let us unite" but they do not want to share any kopek from the sums earmarked for Moldova by different international funds. We signed a memorandum with Moldova on 28 June, but now Snegur's representatives state that they have signed nothing. I realize that presidential elections are approaching in Moldova, and some people must improve their popularity, but one should also possess elementary decency.

[Doroshenko] **What results has this visit by your delegation to Kiev produced for the Dniester Republic?**

[Smirnov] We came at the invitation of Ukrainian Foreign Minister Hennadiy Udovenko, to whom we are very thankful. A majority of our meetings with the Ukrainian leadership were of a primarily consultative character; we were particularly interested in issues of economic cooperation. At first, we viewed negatively the inclusion of Moldovan Ambassador to Ukraine Ion Russu in our delegation, but later we realized that it would be better, since in this way it would be possible to present the three sides' positions. We had meetings at three ministries and discussed issues of common interest with Ukrainian Deputy Prime Minister Anatol Kinakh. I would like to stress once again that the main thing for us is Ukraine's guarantees of our security, including those of a purely tangible character: I have handed letters addressed to the Ukrainian president with a request to dispatch a Ukrainian battalion to the Dniester Republic. We hope that the leadership of your state will treat our proposals with understanding.

In general, this is already the second round of similar negotiations (the first round took place in Tiraspol in February 1996). Taking advantage of this occasion, I want to thank all the Ukrainian people for assistance and support. Hundreds of refugees from the Dniester Republic have found shelter on your soil. And today Ukraine is becoming the initiator of a peaceful agreement between the two states.

[Doroshenko] **Ukrainians in Ukraine are undoubtedly concerned with the conditions of the national-cultural development of our brothers in the Dniester Republic, who number nearly 300,000.**

[Smirnov] Yes, they constitute a substantial part of our population. In spite of all difficulties, our state pays great attention to the creation and ensuring of rights of the Ukrainians in the region. This may be corroborated even by the fact that our delegation includes, aside from ministers, Oleksandr But, head of the Association of Ukrainians in the Dniester Republic. Despite the short length of our visit to Kiev, we met with Ivan Drach, the head of the "Ukraine" Association and of the Ukrainian World Coordination Council, and discussed with him the issues of cooperation connected with information and cultural exchange.

We held important negotiations in the Ukrainian Ministry of Education. There are 146 Moldovan, Romanian schools in your state; but how many Ukrainian schools are there in Moldova? I am sure that there are considerably fewer! As it turns out, the Ukrainian ministry continually sends them textbooks and educational materials. We, having a Ukrainian school in Ribnitsa and a college in Bendery, do not receive anything like that. We are very worried about this, because we want to revive the Ukrainian language and culture on the banks of the Dniester, too.

[Doroshenko] **Due to the vigorous activity of Aleksandr Lebed in the Kremlin, it may be worth remembering his mission in the Dniester Moldovan Republic and the results of the deployment of Lebed's 14th Russian Army there....**

[Smirnov] What this army has left as unused is being gradually removed, but the military stores are very great. As you remember, when the Russians wanted to blow them up along with weapons, we opposed this and Ukraine supported us. The Dniester Moldovan Republic government opts for reprocessing the ammunition — the things created by human hands should be of some use, even if minimal. For this reason, we proposed to Ukraine, which already has had similar experience and has developed technologies, to create a joint venture.

[Doroshenko] **There are presidential elections approaching in Moldova. Will the Dniester Republic take part in them?**

[Smirnov] I will answer with another question: Did Ukraine take part in the elections of the Russian president? We are an independent state with all attributes; therefore there will be no voting for the Moldovan president in our republic, even if we are not going to forbid those who want to vote. I can only note that only the candidate who will firmly advocate a peaceful and equal solution of the Dniester-Moldovan conflict will receive support from us.

[Doroshenko] **You are very confident about the status of your republic....What would you like to wish the UKRAINA MOLODA readers and all the Ukrainian people?**

[Smirnov] As for the young, new generation of Ukrainians, I would like to remind them that there is nothing more valuable than human life. There are also two other sacred notions for man: love for the fatherland and for mother. It is important to betray neither the former nor the latter. As for the all Ukrainian people, I would like to wish them health, happiness, and those simplest eternal things that were desired by people in all times.

Economic Issues

Ukraine: Government Approves Resolution on Monetary Reform

LD2808132896 Kiev UNIAN in Ukrainian
0900 GMT 28 Aug 96

[FBIS Translated Text] Kiev, 28 Aug — A decision entitled Resolution No. 1 of the State Commission To Implement Monetary Reform in Ukraine, led by Prime Minister Pavlo Lazarenko, has approved measures to prepare for monetary reform.

The government press service has told UNIAN that in accordance with the resolution, the chairman of the Council of Ministers of the autonomous Republic of Crimea, heads of regional state administrations, Kiev and Sevastopol city state administrations, district state administrations, and heads of city councils have been given three days to set up and personally head commissions on monetary reform. These commissions have been authorized to carry out all organizational measures on conducting the reform, and to coordinate and monitor the work of commissions at all levels and resolve contentious issues. The heads of regional boards of the National Bank of Ukraine and of commercial banks have been charged with setting up special operational groups to coordinate the work of banks with the commissions of the executive bodies. The decision also confirms an instruction, drawn up by the National Bank of Ukraine, on procedures to exchange Ukrainian karbovantsi for hryvnyas at enterprises and organizations. These exchanges can only be set up by establishments of authorized commercial banks, including at railway stations, airports, and sea and river ports. Communications enterprises must accept karbovantsi from pensioners and, at the same time, issue them with hryvnyas in exchange. They must enter the transaction in the relevant register.

The state commission has charged the relevant ministries and departments with approving a resolution on procedures for recalculating prices, tariffs on goods and services, basic wage rates, salaries, pensions, and other cash payments from karbovantsi into hryvnyas. Appropriate instructions will also be drawn up to review statistical and accounting procedures in connection with the monetary reform.

Ukraine: Official Says Money Reform Not To Cause 'Serious Concern'

LD2808151096 Moscow ITAR-TASS in English
1408 GMT 28 Aug 96

[By Raisa Stetsyura]

[FBIS Transcribed Text] KIEV, August 28 (Itar-Tass) — Money reform in Ukraine has been perfectly timed and will not wreck its currency, commodity and stock markets, a high-ranking official said.

"The timing for money reform in Ukraine has been chosen correctly and its mechanism does not cause serious concern," Vladimir Kuznetsov, Ukrainian presidential adviser and president of Ukraine's State Investment Company, said.

Speaking at a press briefing in Kiev on Wednesday, Kuznetsov said the government keeps the situation under control, adding that "shadow" karbovanets to be released by money reform will not dramatically affect the exchange value of the new currency, hryvnya, to the U.S. dollar.

He believes that a 1.5 billion U.S. dollar stabilisation fund is sufficient to prevent a financial crisis in the country. "It is very important psychologically because the National Bank may not need to use it all," he added.

Kuznetsov noted that the introduction of the new currency in September will not have a negative impact on foreign investment in the economy.

Ukraine: False Karbovantsi Floods Currency Market

LD2808133196 Moscow INTERFAX in English 1111 GMT 28 Aug 96

[FBIS Transcribed Text] Kharkov, Aug 28 (Interfax-Ukraine) — A large quantity of false karbovanets banknotes has flooded Ukraine's cash market over the last few days, Mykola Pereshibkin, head of the Kharkov regional branch of the National Bank of Ukraine [NBU].

"This is a source of concern," he told a briefing in Kharkov on Tuesday. He emphasized that the new monetary unit — the hryvnia — has a greater degree of protection than the karbovanets.

The NBU keeps the currency market situation in Ukraine's regions under "strict control," he disclosed. In particular, according to M. Pereshibkin, the NBU and law-enforcement bodies have jointly conducted checks on 507 currency exchange offices in the Kharkov region.

According to M. Pereshibkin, some of the exchange offices have been closed down. The rest of them do not sell dollars at rates higher than 193,700 karbovanets per dollar. No exchange offices have been uncovered in the course of the checks to have a sale/purchase margin exceeding ten percent.

Meanwhile, the head of the NBU regional branch disclosed, some exchange offices confine themselves to solely purchasing currency, which is a serious violation of currency transaction regulations in effect.

According to M. Pereshibkin, fines will be imposed on the commercial banks involved in such offences, as well as on institutions who have concluded currency exchange contracts with the said banks.

Belarus

Belarus: Air Defense Troops Go to Russia for Firing Exercises

WS2908082896 Minsk BELAPAN in English 0709 GMT 29 Aug 96

[FBIS Transcribed Text] Minsk, 28 August — According to the press office of the Ministry of Defence, S-300 missile system crews of the 15th Air Defence Brigade have left for the Russian Air Defence Troops testing ground of Ashuluk near Astrakhan to take part in a tactical and field firing exercise. The Brigade's logistical support units left for Russia as far back as August 13. This exercise will be the first large-scale one of the national Air Defence Troops. The exercise will start early in September under the command of Lt Gen Valeryy Kastenka, Commander of the Belarusian Air Defence Troops.

Belarus: Lukashenka Receives Libyan Envoy; Expresses Support

LD2808235496 Tripoli Voice of Greater Arab Homeland in Arabic 2315 GMT 28 Aug 96

[FBIS Translated Text] President Alyaksandr Lukashenka, president of the Republic of Belarus, received the brother secretary of the Libyan Arab people's bureau in Moscow who conveyed to him the brother leader of the revolution's message within the framework of [word indistinct] the heads of the world countries and the Security Council's president on the unjust measures imposed against the Great Jamahiriyah.

President Alyaksandr Lukashenka entrusted the brother secretary of the Libyan Arab people's bureau in Moscow with conveying his greetings and appreciation to the brother leader of the revolution and expressed his country's support and solidarity with the Libyan Arab people in confronting the unjust measures. He praised the Great Jamahiriyah's ability to confront these measures.

During the meeting, the president of Belarus stressed the existence of wide possibilities for cooperation between his country and the Great Jamahiriyah in different spheres.

Belarus: Lukashenka, Top Officials Discuss Constitutional Reform

WS2908083096 Minsk Radio Minsk Network in Belarusian 0300 GMT 29 Aug 96

[FBIS Translated Text] Belarusian President Alyaksandr Lukashenka has held a working meeting to discuss issues concerning constitutional reform. It was attended by Prime Minister Chyhir, Presidential Administration Chief Myasnikovich, deputy prime ministers, ministers, and scientists.

While discussing the main provisions of the draft of a new constitution, the head of state drew attention to the need to expand citizens' rights, freedoms, and social guarantees.

Considering the great public interest in the upcoming referendum, the president gave instructions to draft a new constitution as quickly as possible.

Belarus: Lukashenka on Political, Economic, International Issues

MM2808103896 Moscow ROSSIYSKAYA GAZETA in Russian 24 Aug 96 pp 1, 3

[Interview with Republic of Belarus President A.H. Lukashenka by Vladimir Yefanov, Pavel Gurin, and Anatoliy Yurkov in Minsk; date not given: "We Separated. The Time Has Come To Reunite"]

[FBIS Translated Text] [ROSSIYSKAYA GAZETA] The Belarusian people recently celebrated the fifth anniversary of independence. This is a difficult process in all the former USSR republics. How is it going in Belarus, Alyaksandr Hryhoravych? Does it have any specific features peculiar to itself?

[Lukashenka] Today we have apparently all recognized that in a period of transition, when absolutely everything is falling to pieces, a tough, centrally controlled system is needed. New methods should be introduced gradually, in proportion to the progress made toward a true market. Anyone who ignores this fact courts disaster.

I am often criticized for my allegedly authoritarian methods of government. I do not think that this is fair. Yes, I sometimes act in a tough and decisive manner, setting myself a target and striving to achieve it at any cost. But there is no avoiding this in current circumstances; it is not authoritarianism but an inevitability.

Incidentally, not everything in the republic is as bad as certain sections of the mass media make out. The first seven months of this year for the first time saw a growth in GDP, of 1 percent by comparison with the same period of last year, and a growth of 4.6 percent in industrial production. Every month we also increase sales of our output. The excessive accumulation of this output in warehouses, on which the IMF primarily focuses, by no means signifies that no one wants Belarusian goods because of their high price. People really do want our goods. But some managers, it has turned out, were deliberately holding back sales in the expectation of a wholesale fall in the ruble exchange rate. It didn't happen!

Of course, reforms in our country — indeed, everywhere — are proceeding with difficulty. For a number of reasons our republic, with its small territory and population (not much more than 10 million people) has concentrated within it a large number of giant assembly enterprises, including enterprises formerly part of the military-industrial complex. They were created for the needs of a great state. Huge expenditure is required to reform them today.

Moreover, the destruction of economic ties, which led to the isolation of our enterprises, which mostly operated on Russian raw materials and components, took place chaotically and thoughtlessly, without consideration for the real economic interests of the former union republics. All this could not fail to impact the economy, the social sphere, and the people's spiritual development. So that the efforts that we have directed toward integration with the CIS countries, above all Russia, evolved as the demand of the times. The slogan of the period of the parade of sovereignties — "separate in order to unite" — is now being made a reality. Sooner or later these processes will affect all the CIS countries, because there is no other option.

This is why we refuse to kowtow to the national radicals. Belarusians are not very susceptible to impossible promises; they do not believe, as Yanka Kupala [Belarusian poet] put it, in miracle- working conjurers. They do not need the great upheavals that — the people feel this intuitively — our power-hungry "radical reformists" represent. I think that it is thanks to these factors that we have managed to some extent to maintain stability and order in society.

[ROSSIYSKAYA GAZETA] You are most often criticized, Alyaksandr Hryhoravych, not so much for authoritarian aspirations as for allegedly artificially holding back reforms and privatization. The logic of things would suggest, for example, that private farming should develop more dynamically in Belarus than in Russia: Next door you have the experience of the Baltic countries and Poland, where even in former times up to 70 percent of peasants farmed in the private sector. Procrastination over reforms is generally considered to be the major brake on the economic integration of Russia and Belarus.

[Lukashenka] We recently set up financial and industrial groups based on the Novopolotsk and Mozyr oil refineries with the Russian Lukoil, Slavneft, Surgutneftegas, and Yukos companies. The unified industrial chain has entirely removed the petroleum products problem not only in Belarus, but also in the northwest and southwest of the former Union.

Results are what all reforms are about. You will agree that both yourselves in Russia and we in Belarus have a great many enterprises that have changed their form of ownership but are now performing worse than before. Privatization for its own sake does not suit us. We will carry out privatization calmly, without haste or fuss. The main thing is to get results: increased production efficiency and improved living standards.

That is why no major enterprise can be reformed without the head of state's consent. This is inscribed in our laws, and I consider this approach to be correct. As for reforming agriculture....The mighty collective and state farm infrastructure on which the village and large settlement are based were formed in Belarus over a period of decades. The mass of peasants no longer think of their lives as being in small villages based on farmsteads. They do not want to work individually. Moreover, this process also requires regulation. The first wave of private farming in Belarus — and in Russia too — ended in the land being overgrown with weeds and the credits issued to pseudo-farmers going toward the construction of town apartments for heirs who will never be farmers. That is why the requirements made of them in our country are high. Before obtaining land and credit a person has to prove that he is capable of running a private farm. It is not enough to be a tractor driver; you have to know agricultural techniques, and, most importantly, know how to sell your produce. The peasant has not been trained for this, and, until he learns, could actually starve himself to death. And the whole country too.

We are not hurrying to smash the existing system in agriculture or drive people into private farming artificially. The peasant must take this step himself, having gone through certain interim stages. The most realistic and acceptable measure is dividing up large collective and state farms into smaller ones. I myself was once a state farm director. I began by chopping it into four small cooperatives, each with its own specialization. Believe me, efficiency increased dramatically. Today too we must start from realities and do what is accessible and comprehensible to people. But we should not foist on them something they do not accept. We can go further later.

[ROSSIYSKAYA GAZETA] In response to President Yeltsin's appeal Russia is currently searching for a national idea around which all strata of society and all political forces could unite. Do Belarusians have such an idea? And do you yourself, Alyaksandr Hryhoravych, believe in the collective, creative force of national ideas?

[Lukashenka] I recall with what pride in themselves and in the fatherland people formerly wore state decorations.

I do not mean that the ideas that united the people in those days were pure and impeccable. In many ways they were quite the reverse. But the fact that they really did unite people is indisputable. Nowadays all this has been destroyed and allowed to drift. However, it turns out that a national idea does not take shape of its own accord. After all, it is no accident that your newspaper is conducting a debate over this issue. This topic is being increasingly discussed in our republic also, and a whole group of academics is working on a solution to the problem. Many proposals are being put forward. The question is whether they will grab people, whether they will unite people, and not turn out to be artificial, as has happened several times before: First they dreamedt up an idea, then they drove the people toward it. An idea cannot exist for the people — it stems from the people.

It seemed, for example, that sovereignty and independence, which descended on the people like an avalanche, would become the linchpin of the new state ideology. I risk bringing down another wave of journalistic sarcasm on my head, but it seems to me that this idea did not unite our people, who saw it as something dangerous that contradicted their spirit and realities. The point here is obviously not the idea itself, but how it was proposed.

When we submitted the question of integration with Russia to a referendum, which allegedly contradicted the idea of sovereignty, the overwhelming majority of the population said "yes." In other words, that is what people want. They cannot conceive of themselves without close, intimate ties with Russia. To ignore this fact, as the national radicals do, would be a big mistake. We must not allow shots to be fired in the name of an idea, however noble.

Therefore, I think, our national idea and yours will be based on unifying tendencies that are feasible, naturally, on the basis of statehood and true sovereignty, that is, on the basis of what would improve and dignify the lives of our two peoples.

[ROSSIYSKAYA GAZETA] Alyaksandr Hryhoravych, your personal loyalty to the idea of the union of Slav peoples has earned you the respect of many Russians. But it has undoubtedly made life difficult for you through attacks from the other camp. How far are you prepared to go for the sake of further development?

[Lukashenka] The citizens of Russia should know that integration is not for me a short-term trump card with the aid of which, as people sometimes imagine, I seek to shift the burden of Belarus' economic situation onto the shoulders of the Russian taxpayer. Economic and political integration is advantageous in equal measure both to us and to Russia. It is an objective, historically inevitable process.

But integration is not a one-way street. Take a simple example. The Russian Federation in the course of last year and this year unilaterally and without consulting us amended its foreign trade regulations. The change in customs duty rates placed Belarus in a tricky situation with regard to third countries. All this can be avoided. We should elaborate highly effective mechanisms of cooperation and cement in people's minds the need for such unification. Let us state bluntly that this process causes concern, to put it mildly, for several pro-Western politicians. The majority of critical arrows aimed at me have been provoked precisely by my integration aspirations. However, I will go as far on this issue as the Belarusian and Russian peoples are prepared to go toward unification.

[ROSSIYSKAYA GAZETA] All of us — both the authorities and the people — are learning democracy from scratch. And paradoxes arise: A democratic power elected by the whole people begins to tighten the screws and blames above all the press for its own failures — the press, it says, is blowing things up, exacerbating the situation, distorting and interfering. But no democratic society has been built without the active participation of a democratic press. The Russian authorities, let us hope, have passed the peak in their battle with the press. President Yeltsin even issued an edict under which every official is obliged to react to critical comment in the media. Do you, Alyaksandr Hryhoravich, prefer to be in conflict with the press, or is this a response to the rejection of your policy by some groups?

[Lukashenka] I wish to state in all conscience that the representatives of the fourth estate in Belarus work in normal, civilized conditions defined by laws. I am not an enemy of the press, as my political opponents often try to make out. Forgive me for being trite, but the figures speak for themselves. According to the statistics around 1,000 publications were registered in the republic as of 1 July this year. The majority of them are not state-owned.

Unfortunately, both the Belarusian and Russian mass media sometimes proceed not on the basis of principles of decency or a sense of professional duty but on the basis of political expediency, fulfilling a demand formulated by a social class. We should not forget that in a civilized, rule-of-law state of the sort we are trying to build both the president and journalists should be guided by the letter and the spirit of the law, and not by selfish, clannish interests.

[ROSSIYSKAYA GAZETA] And how are Belarus' relations with other states developing?

[Lukashenka] In our foreign policy activity we are endeavoring to strike a balance between East and West. At the same time, the European continent is the key sphere for us. The main task of our European policy is to ensure Belarus' active participation in common European affairs. For example, we are seriously concerned over NATO's eastward expansion, which we see as a threat not only to Belarus but to the entire Slav world. The real possibility of nuclear weapons' being placed in these countries could create a threat to the entire East European region. This is why we have proposed the creation of a nuclear-free zone in East Europe. If NATO expands all the same, and new countries joining that bloc reject nuclear weapons, the degree of threat will be far less. The NATO leadership has stated that there will be no nuclear weapons in the countries newly accepted into its ranks. This statement is encouraging, but it is better to rule out any possibility for military conflict altogether and to take the path of reducing military blocs rather than expanding them.

The issue of foreign trade is fairly difficult. It should be admitted that a significant proportion of our goods are not yet capable of competing with Western counterparts. But even those products that are not inferior to and are actually cheaper than Western models run up against a mighty barrier. Let me cite just one example. Last year we exported a sizeable amount of chemical products which successfully competed with Western models. As a result our chemists won markets in West Europe, Turkey, China, and India. And then — presumably not without pressure from our European rivals — a European Union committee [as published] adopted a decision on the introduction of so-called antidumping duties. As a result the cost of Belarusian products was automatically almost doubled. We have repeatedly appealed to the EU committee to repeal these duties, and recently they told us that if our products were not supplied to the European market the EU committee was ready to return to the question of repealing the antidumping measures. There is the free market for you.

[ROSSIYSKAYA GAZETA] A personal question, although it is not so very personal for Russians: What has happened to the famous Belarusian potato? You cannot find it in Russian markets. Polish potatoes, yes. Even Cuban potatoes. But your potatoes, forgive me, are absent.

[Lukashenka] In 1989 we delivered to Russia something like 400,000 tonnes of potatoes, nearly half of which went to Moscow. Last year Russia purchased from us only 11,000 tonnes, and 18 tonnes went to Moscow. Our eastern neighbor has begun to buy potatoes, as you correctly remarked, in Poland and even in Cuba. And this, when the famous, top-grade potato, whose quality is incomparably higher than the Polish potato, and even more so than the Cuban potato, is produced right next door to Smolensk Oblast. While Moscow was working out what had gone wrong we drastically reduced our sowings. Now we are restoring them to their previous levels. We have formed good, businesslike relations with Moscow Mayor Luzhkov, and he, I think, perfectly understands the absurdity of such a situation. Thus Moscow and St. Petersburg will soon have high-quality Belarusian produce.

[ROSSIYSKAYA GAZETA] What does Belarus need for people to breathe a sigh of relief and for the process of national revival to begin?

[Lukashenka] The same as any country in the world: confidence in the future. This will only happen when people understand that a flourishing, democratic country has been built by their hands, and that the future of their children and grandchildren is protected by the state.

[ROSSIYSKAYA GAZETA] Alyaksandr Hryhoravych, we thank you for your answers and your readiness to cooperate with the press for the sake of establishing the truth. What wishes would you like to express to ROSSIYSKAYA GAZETA's readers?

[Lukashenka] Probably, as well as my good wishes for their health, happiness, and prosperity, I would like Russians to find a worthy place in this difficult, frequently harsh life. Having reflected on our role in this word, we will inevitably return to our common sources, to eternal, panhuman values. The sooner this takes place, the sooner our peoples will be able to overcome the consequences of the crisis and enter on the true path of peace and prosperity in every home.

Belarus: Speaker Interviewed on Lukashenka, Issues

WS2608131096 Lvov ZA VILNU UKRAYINU in Ukrainian 17 Aug 96 p 2

[Interview with Belarusian Supreme Soviet Chairman Syamyon Sharetski by ZA VILNU UKRAYINU special correspondent Maryan Zhytaryuk; place and date not given: "Syamyon Sharetski, chairman of the Belarusian Supreme Soviet: 'If Our President Is Going To Scorn the Constitution, I Do Not Rule Out Impeachment'"]

[FBIS Translated Text] Not too long ago, the present Belarusian parliament speaker was considered the president's man. However, it has become clear recently that Syamyon Sharetski is not one of the politicians who easily gives up his position or does not have one altogether. The president's intention to hold in September a bizarre referendum in which Belarus is supposed to extend his powers to seven years and establish a bicameral legislature whose chambers will not have equal rights and powers, as well as the method — which has no match in the history of any state — of appointing the Constitutional Court (as a result, the country's judicial branch is no longer equal to the legislative and executive branches) and his demand for incorporating all this into the new Constitution, is, to put it mildly, a source of annoyance for the serious public and many politicians. All this fores them to look for a way out of the blind valley. Quite a few deputies of the Belarusian Supreme Soviet — more than one-third, according to some sources — do not rule out the impeachment procedure.

[Zhytaryuk] **What are your relations with the president?**

[Sharetski] My personal relations have always been business- like. As for relations between the president and parliament, you know that recently Lukashenka has made more and more unfounded attacks against ithe parliament.

[Zhytaryuk] **The president is pretty aggressive toward the parliament. You, however, invite him to make reports at Supreme Soviet sessions....**

[Sharetski] One should concentrate on consolidation right now, that is, the parliament leadership and the president should come to terms so that they focus their power on grappling with the economic crisis and improving the people's standard of living, instead of settling scores and thinking up unnecessary, in my opinion, referendums, and so on.

[Zhytaryuk] **But the president is pressing increasingly harder for the referendum, not for cooperation with parliament. This is why I believe that it will take place. Do you?**

[Sharetski] Well, if he insists, it will certainly take place. But it is hard to say what its outcome will be. In the referendum, people will express their opinion. This is why the Supreme Soviet deputies do not fear this plebiscite; they just think that a constitution is something that we need more at this point.

[Zhytaryuk] **A new constitution, however, is being written in the president's office. It is very likely that it will contain a new provision on the bicameral parliament appointed by the National Assembly. In this case, one will have to disband the Supreme Soviet and elect a new parliament. What do you think?**

[Sharetski] Not so long ago, the president would say that there is no need to elect the remaining 61 deputies to fill still unoccupied seats in parliament, because the state has no money. I wonder then why we need this referendum, which will devour billions of rubles? Besides, who prevents the president from working today? The growing hype over the constitution (I have not yet seen its draft, and I still do not understand why it is being drafted in the underground, unknown to the highest and only legislative body in Belarus!) testifies to the problem's gravity. A new constitution, even if it is adopted, will facilitate the unrestricted power of one man — and that is totalitarianism. We do not want it. We have already been through all this.

[Zhytaryuk] **You are right. How else could you comment on President Lukashenka's statement over Belarusian radio that the power of Adolf Hitler is an example to follow?**

[Sharetski] I have already spoken about this. You know, my father died in the war. In my family, just like elsewhere in the world, I guess, this name never was even uttered, let alone praised as an example to follow.

[Zhytaryuk] **So, how will events in Belarus develop?**

[Sharetski] It will depend on the president. The leadership of the parliament and, I know, the Constitutional Court are always ready to sit at the same table and discuss issues.

[Zhytaryuk] **One can only envy your tenacity and optimism. But what if it is impossible to come to terms with Lukashenka? Your deputy colleagues have long been urging initiating the impeachment procedure. Is the parliament leadership, and you personally, ready for that?**

[Sharetski] I believe that the president is deliberately throwing this idea to the parliament. So far, the parliament is oriented toward constructive cooperation and will do its best to refrain from resorting to extreme measures. If this does not work, there are, of course, constitutional norms, including impeachment.

[Zhytaryuk] **Will it not be too late?**

[Sharetski] I do not know whether it will be too late or too early. After all, a decision to stage a referendum should be made by the Supreme Soviet. However, I do not rule out that we may go along with the president's intention.

[Zhytaryuk] **And also agree to include the question about a new constitution?**

[Sharetski] Well, the Supreme Soviet will propose its own questions, too. In my opinion, one of them will be whether people are satisfied with their present condition

— their standards of living and the general development of events.

[Zhytaryuk] **Did you, not so much as the parliament speaker as the Agrarian Party leader, conduct any talks with leaders of other parties, including those outside parliament?**

[Sharetski] I want to say that on the eve of Independence Day major Belarusian parties signed an appeal to political parties, public organizations, and movements, asking them to speak out on what is going on today. They also called upon the president to finally stop stirring up tension and looking for imaginary enemies, because he has unlimited power as it is. He himself said that we have a czarist Constitution. Let me recall that he was a member of the constitutional commission. He worked on it, took an oath on it, and promised to comply with it. And now, for some reason, he does not like the Constitution. Why?

[Zhytaryuk] **The present situation — I mean, the open standoff between branches of power, the spring events — elicits attention far outside Belarus. Academician Stanislaw Shushkevich, who conducted perhaps too human and democratic policies, headed the Supreme Soviet for two years. Do you not think that this had led to the arrival of Alyaksandr Lukashenka phenomenon in the political Olympus?**

[Sharetski] Each of my predecessors — Shushkevich, Hryb, and Demintey — made their contribution in the Republic's development. Of course, if the parliament had worked more effectively back then, we could have gone much farther on the democratic path. I believe that it is not so much the fault of Stanislaw Shushkevich as it is a problem of all legislators, who did not manage to do this. But I would not like to accuse them. You have to understand that our freedom was not fought for, it was God's blessing. You have to learn to use this freedom. The deputies simply were not prepared for this, because before that they lived in a large country where the Belarusian parliament was subordinate to the Belarusian Central Committee of the CPSU, the USSR Council of Ministers, and the CPSU Central Committee. Both lawmakers and leaders of the Belarusian institutions waited for some instructions, guidelines, and so on. In fact, they were executors, not leaders. They were responsible for carrying out directives that came from above. Now they are confronted with the need to think on their own and determine a strategy of the country's development. This is, in my opinion, exactly what our parliamentarians failed to do. But let me repeat that they should not be entirely blamed for this.

[Zhytaryuk] **Are you actively cooperating with the Ukrainian parliament and in what spheres?**

[Sharetski] I would not say that we do it so actively. Sometimes, however, we work together to resolve some issues. In particular, we were bonded by the Chernobyl misery. You remember that I used to head the interparliamentary deputies group comprising Ukrainian, Russian, Belarusian, Moldovan, and some other CIS deputies. I am grateful to all of them, including Ukrainian President Leonid Kuchma, who received me. We jointly worked out new models of handling problems to minimize the negative consequences of the Chernobyl catastrophe. We have sent invitations to Ukrainian Supreme Council Chairman Oleksandr Moroz to visit our Republic at the head of a delegation to be formed by the Ukrainian parliament. We are waiting for a reply. Hopefully, this visit will take place in the fall, when the both parliaments resume work.

[Zhytaryuk] **I know that about 60 Belarusian deputies signed a document demanding release from custody of prominent Belarusian activists Siwchyk and Khadyka, who were two of the organizers of the 26 April meeting in Minsk. Did the [Belarusian] deputies make any moves on the issue of the Ukrainian citizens who are now in custody?**

[Sharetski] I did not see such a document and no one ever showed it to me, although people speaking about it. No one, except for a counselor of the Ukrainian Embassy in Minsk, approached me on this issue. He is the only person with whom I talked about this matter. I believe that this is a matter for the judicial institutions, prosecutor's office, and — of course, if need be — the Supreme Soviet.

[Zhytaryuk] **Could you present your personal opinion on this issue? Did those 20 Ukrainians, who took part in the traditional Chernobyl demonstration, actually provoke what happened later? Could they have possibly provoked what happened in Minsk?**

[Sharetski] They did not provoke anything. However, they increased tensions. They expressed distrust of the Belarusian president. And these are illegal actions.

[Zhytaryuk] **Then why is their trial being delayed?**

[Sharetski] Frankly, I did not handle this case. I cannot tell you anything else.

[Zhytaryuk] **On 2 April 1996, Belarus formed a community with Russia. Does this not mean that Belarusians are giving up their state or that common citizenship will be introduced?**

[Sharetski] We are not giving up our state. This cooperation, based on closer integration, applies primarily to the economic sphere. Russia has no obligations to Belarus, just as Belarus has none to Russia. We are seeking equal relations. As for citizenship, Belarus does not have dual citizenship. This is better than if it had it. Other countries may need dual citizenship, but not us, because we belong to the Community anyway. We should only simplify the procedure for granting citizenship. There should be no single Belarusian-Russian or Russian-Belarusian citizenship, because Belarus and Russia are two independent countries.

[Zhytaryuk] **Well, I want to thank you for the open conversation.**

Belarus: Opposition Warns of Moves To Impeach Lukashenka

LD2808192696 Moscow ITAR-TASS in English 1915 GMT 28 Aug 96

[By Andrey Fomin]

[FBIS Transcribed Text] MINSK, August 28 (Itar-Tass) — Belarusia's opposition said on Wednesday it will initiate President Alyaksandr Lukashenka's impeachment if he makes steps to prevent an alternative referendum aimed at learning popular attitudes towards the present government.

Leaders of over 10 parties and movements, from Communists and "greens" to nationalists and agrarians, who convened for a regular round table on Wednesday, issued a statement asking the Supreme Soviet (parliament) to put on the referendum the following questions:

"Do you support the actions of the president and the Government aimed at the systemic rising of prices without appropriate compensation?

"Do you support the actions of the Supreme Soviet aimed at ensuring the payment of wages and pensions in a priority and timely order?

"Do you think that leaders of the local executive should be elected by the population of the relevant region?"

The statement warned that the impeachment will be initiated as well if Lukashenka does not call off the decrees, which were considered unlawful by the Constitutional Court, before September 15.

Belarus: Opposition Parties Call For Alternative Referendum

LD2808175896 Moscow INTERFAX in English 1653 GMT 28 Aug 96

[FBIS Transcribed Text] MINSK, Aug 28 (Interfax-West) — The leaders of 14 Belarusian parties and movements held a round-table meeting in Minsk Wednesday and approved a statement to the Belarusian parliament, calling for a referendum differing from the one proposed by President Alyaksandr Lukashenka.

The forum proposed that Belarusians choose whether they support "the activities of the president and the government aimed at systematic increase of prices without proper compensation" or "the activities of parliament to ensure the priority and timeliness of the payment of wages and pensions." Another question proposed for the alternative referendum reads as follows: "Do you believe that heads of local governments must be elected by the population of corresponding regions?"

Lukashenka earlier proposed a referendum on four different questions. He proposed that a referendum be held on November 7 to adopt the 1994 constitution with amendments proposed by him; on a shift of the country's Independence Day from the present date of July 27 (the day when the Belarusian parliament passed a Declaration on national sovereignty in 1990) to July 3 (the day Minsk was liberated from fascist German troops during the World War II); on free purchase and sale of land and on the abolition of death penalty.

According to the leaders of parties and movements who signed the statement, "there are no visible prospects of overcoming the present situation if the policy currently carried out by the government and the president continues.

"On the contrary, the country is each day drifting closer to a national catastrophe," the statement reads.

"Lukashenka completely ignores all appeals for cooperation," reads the document.

The statement was signed by heads of organizations of radically different political convictions, such as the Belarusian Communist Party and the rightist Belarusian Popular Front.

Belarus: Supreme Soviet Session To Begin 2 Sep

WS2808075696 Minsk BELAPAN in English 0659 GMT 28 Aug 96

[FBIS Transcribed Text] Minsk, 27 August — On August 27, the Presidium of the Supreme Soviet confirmed the schedule of the first working week of the second parliamentary session. The session is to begin on September 2 at 4.00 p.m. Plenary sittings will be held on September 3. The following day parliamentarians will work in factions and committees until 4.00 p.m. and will gather together in the Oval Hall only for an evening sitting. On Thursday, September 5, Parliament will hold plenary sittings until the afternoon, work in factions and committees is scheduled from 4.00 to 6.00 p.m. The first week of the session is to end with a plenary sitting on September 6 where the subsequent schedule of the session will be planned.

Belarus: Rally at Independence Square Banned; New Site Chosen

WS2908080196 Minsk BELAPAN in English
0709 GMT 29 Aug 96

[FBIS Transcribed Text] Minsk, 28 August — The meeting of deputies to the Supreme Soviet with voters on Independence Square, scheduled for September 2, will not take place.

Having considered on its own initiative the notification about the meeting signed by representatives of four parliamentary factions, the Minsk-City Executive Committee recommended them not to hold this meeting on the main square of the Belarusian capital, warning that otherwise the square will be cordoned off by the militia. This information was given to BELAPAN by the chairman of the organising committee of the meeting, MP Alyaksandr Bukhvostaw.

Owing to the ban, the organising committee decided to hold the meeting in the Palace of Railway Workers which is located on the territory of MP Stanislaw Bahdankevich's constituency. The organisers suppose that the meeting, which will begin at 6.30 p.m., will be attended by up to 15 thousand people.

Belarus: Popular Front Activists Picket Prosecutor's Office

WS2908075996 Minsk BELAPAN in English
0709 GMT 29 Aug 96

[FBIS Translated Text] Minsk, 28 August — About 30 activists of the Belarusian Popular Front (BPF) picketed the building of the Belarusian Prosecutor's Office from 11 to 12 a.m. on August 28. The picketers (about 30 people) held white-red-white flags and slogans which read: "Paznyak and Navumchyk [BPF leaders currently in exile in the United States] are Belarusian patriots!", "Down with the regime which engenders political emigrants!", "Mr Kapitan (Belarusian Attorney General), we are expecting the safe return of Paznyak and Navumchyk to the Motherland!"

As Ales Byalyatski, Secretary at the BPF Board, said in an interview with a BELAPAN correspondent, the picketing was aimed at support of the people who are persecuted in the country. There were no incidents between the militia and the picketers. However the militia detained Mr Byalyatski, the organiser of the picketing, to draw up a militia statement of the case and let him go after a formal interrogation. It should be noted that Mr Byalyatski is also a deputy to the Minsk-City Soviet.

Kazakhstan

Kazakhstan: Defense Minister Attends Ground Forces Exercise

MM2808083696 Moscow KRASNAYA ZVEZDA in Russian 27 Aug 96 p 1

[Report by Anatoliy Ladin: "Busy Time for Guards in Kazakhstan"]

[FBIS Translated Text] A regimental tactical exercise took place from 12 through 22 August at the guards training center under Lieutenant General Fedor Shcherbakov, commander of ground forces. During the exercise the main tasks were carried out by the motorized rifle regiment commanded by Colonel Bolat Darbekov. After completing a march the regiment tackled some defense-related tasks.

The exercise was attended by Colonel General Alibek Kasymov, Republic of Kazakhstan defense minister.

Kazakhstan: Paper on Uzbekistan's Regional Economic Role

LD2908085296 Almaty DELOVAYA NEDELYA in Russian 23 Aug 96 p 3

[Unattributed article: "Uzbekistan Wants a Market, but a Central Asian One"]

[FBIS Translated Text] The development of the economic situation on post-Soviet territory confirms the conclusion that interrelations between countries of the near abroad [former USSR republics] are still of key importance for Uzbekistan's future development. This is determined by several factors.

First, the CIS region determines in many respects the condition of the republic's national security, political stability, and the economic situation in Central Asia.

Second, it may serve as a strong basis for effectively entering the world economy.

Third, although the former unity of the Soviet economic organism is being gradually lost and the volume of mutual exchange is falling, the CIS and Central Asian markets nevertheless remain a potential priority for Uzbekistan from the point of view of trade, development of cooperation in science and industry, capital investment, and movement of labor resources.

Fourth, active cooperation with the CIS states allows Uzbekistan to determine its position and opportunities in the regional market.

On the whole there is seen as being no alternative to the policy toward reintegration and setting up an economic union with the CIS countries and a single economic expanse with Central Asian states, in view of Uzbekistan's current interests, and especially its strategic interests.

Well, will we be cooperating or not?

The aim and principles of expanding integration processes in Central Asia are determined by the similarity of the economic, social, and ecologic problems of the states in the region and the need for closer cooperation to solve them. The region has all prerequisites for cooperating on industrial manufacturing, setting up joint ventures, and interacting in the agroindustrial complex.

The history of Central Asia shows that the states of this region have long been trying to establish an integration process and to move away from the rules at one time imposed upon the republics by the central bodies — Gossnab [state supply], Gosplan [state planning], and ministries and government departments of the USSR. The signing of an agreement on organizing an interrepublican consultative council of Central Asia and Kazakhstan in 1991 was the direct result of these intentions. The implementation of this program was frozen following the collapse of the USSR.

At a meeting in Tashkent in January 1993 it was planned to set up sectoral commissions on cotton, power engineering, and water resources, but these problems were insurmountable at that time because of lack of coordination on customs issues, nonpayments, and difficulties with cash rubles.

An agreement was signed between Kazakhstan and Uzbekistan in July 1993 to expand economic integration for 1994-2000. In January 1994, the treaty on forming a single economic space (the Kyrgyz Republic joined this treaty in April) was signed, which may be considered as the beginning of the formation of a Central Asian community.

A decision of the Council of Prime Ministers of the Central Asian states was signed in Bishkek on 24 April 1995, where the sides determined the orientation of the republics' economic integration up to the year 2000 and investment projects, taking into account the priority development of economic complexes of the participant states which are scheduled for urgent implementation.

This economic union was formed with the aim of strengthening the positions of the countries in the region in solving vital problems, and has also a political basis which aims to achieve and maintain the strategic balance of forces in Central Asia.

The socioeconomic and political aspects of this integration are aimed primarily at forming a regional economic and currency union like the EU in the future. The following are typical for the economy of the Central Asian countries;

— a common production and technological chain connecting enterprises with the post-Soviet division of labor and production;

— a common geographic and demographic space and natural and climatic conditions and resources, determining the forms, types, kinds of production, classification, and range of products;

— regional difficulties in using labor resource potential in public sector production, and low professional qualifications and skill levels of the workforce;

— orientation toward the domestic market of the CIS countries because the goods produced are uncompetitive, which makes moving into the world market difficult;

— incompatibility of world and domestic pricing structures, leading to increased trade imbalance because of the closed nature of the economy;

— an acute shortage of freely convertible currency, leading to traditional links being regulated by current supply and demand, not future benefits.

Under these circumstances, the development of integration processes in Central Asia will lead to further dismantling of traditional trade and economic relations, which will serve to intensify the rationalization of economic ties and found new mutual relations in Central Asia.

It is believed to be important to preserve the existing economic ties with Russia for the next two or three years in order to mitigate the possible negative consequences of such structural changes, at the same time as carrying out structural reforms in the economy aimed at ensuring the development of production and at maximizing on foreign ties.

The tendencies toward regional integration of the Central Asian states are conditioned by the historic features common to the development of their economies. Such regional integration may be considered as deep economic consolidation and simultaneously as an integral part of the process of wide integration into the world economy, active participation in which makes it possible to avoid the restrictions on use of resources which happen as a result of regional isolation. In addition, political stability (except in Tajikistan), a developing process of democratization, and strengthening of statehood make it possible to accelerate the implementation of social and economic reforms. The national potential which has been created, rich mineral and raw material resources, and the planned breakthrough in the field of scientific and technical progress create the necessary preconditions for development of the production forces of the Central Asian states and expansion of regional integration.

At present the scheme for the Republic of Uzbekistan's integration into Central Asia is determined by the following tactical steps.

First: Uzbekistan's participation in the process of investing in the economy of the Central Asian states and establishing a high level of Uzbek capital investment presence there.

This can be done by setting up joint ventures on the territories of Central Asian states, and by Uzbek investors buying a substantial shareholding in those enterprises which effectively create the gross national product.

Thus, in Kazakhstan, industry creates 21 per cent of national income, agriculture and forestry 41.9 percent; in Kyrgyzstan 31.8 and 43.2 percent, respectively; in Tajikistan 27.4 and 36.8; in Turkmenistan 15.7 and 48 percent. Uzbek investors must naturally give preference to these sectors.

Attracting foreign investors and joint entrepreneurship are necessary conditions for the normal and efficient functioning of the market economy. Uzbekistan needs to use this element for developing the strategy and tactics of economic influence in the Central Asian region and the CIS. The program for economic integration of Kyrgyzstan, Kazakhstan, and Uzbekistan up to the year 2000 focuses on aspects of setting up of joint ventures and joint production. For example, in order to meet the needs of the agroindustrial complex a joint venture is being set up in the machine building complex to produce ZhRK-5M and ZhRT-4.2 [as published] harvesters and modifications of these, adapted to conditions in Uzbekistan. In addition, it is planned to set up joint manufacture of consumer goods and industrial products — electric motors, consumer goods, and cable products, mobile compressor stations, and hydraulic excavators for land improvement work, on the basis of the Tashkent and Kentau excavator plants; a joint center for technical servicing of computer-controlled metal- working equipment in Almaaty; and also cooperation in manufacturing drills for the aviation industry and other purposes.

In the construction materials industry, there are plans to set up a joint venture to produce diamond discs of 320-1,250 mm diameter and diamond strips for stoneworking on frame machines.

In light industry: there are plans to set up a joint venture to increase the output of wool-mixture and bulk yarn and to produce artificial leather and cotton thread, on the basis of textile enterprises in Uzbekistan; heels and insoles, on the basis of the Ezanol [as published] joint stock company; the manufacture of knitted goods, on the basis of Kasiyet [as published] joint stock company of Tokmak Worsted and Woven Works and Akku joint stock company; and it is also planned to set up a center to service textile machines.

In the agroindustrial complex: it is planned to organize joint manufacture of spare parts and equipment for agricultural machines and equipment; to place orders with industrial enterprises of the Central Asian republics; to set up a joint venture for producing veterinary and medical preparations on the basis of Samarkand bioplant; and, in order to supply the republic with fishing nets, to set up a joint net-making venture in the Chinaz district of Tashkent Region.

Tajikistan

Tajikistan: Sources Say Islamic Forces Destroy Regional Infrastructure

LD2808142196 Dushanbe Radio Tajikistan Network in Tajik 1000 GMT 26 Aug 96

[FBIS Translated Text] We have been told in a report by reliable sources that the economic and social situation in the Vanj District of Gordo-Badakhshan Autonomous Region has deteriorated. The economy of the district, according to an investigation by experts, is causing anxiety. The main reason for this is sabotage committed by the irreconcilable armed forces of the Islamic Forces of Tajikistan.

One part of the output of modern Italian technology at the marble plant of Pamirkvarts [word indistinct] has been destroyed and the other part has been stolen by opposition fighters in this district over the past three years. The district asphalt plant was destroyed after occupation by the fighters under the command of Goib [phonetic]. The plant had supplied many districts of Badakhshan Region with asphalt. The canned-food factory has sustained substantial economic damage. A part of the technology made in foreign countries was stolen.

Vanj airport was paralyzed because of direct action by fighters in and around Vanj. Modern radio transmitter equipment was wiped out and radars were dismantled.

The headquarters of the fighters from Yazgulyam [village in the Pamirs] was placed by the chairman of the Jihad Council of Badakhshan, (Muhabbatov), in the agricultural-machinery directorate and central hotel in the district center [town of Vanj].

The sources have also managed to clarify that ore mines, biological plots, and parks in the villages of Verkhniy Vanj have been completely destroyed. The reason for this was that the opposition fighters took the equipment and machines for mining ore, nickel, coal, marble, and the construction materials and fuels.

A medium-power weather station was destroyed in (Qumroh). In total 12 buildings, three secondary schools, two boarding schools, the airport, the building of the state institutions, the district military department, and a bakery have been destroyed by the fighters. Livestock breeding has been wiped out.

The scale of the damage caused to the economy of Vanj District, according to the specialists, requires the law enforcement bodies and representatives of the state authorities of the Republic of Tajikistan to act to prevent further wreckage of the economic potential of the district, which has industrial sites of national importance.

Tajikistan: Two Killed, Five Injured in Oppositionist Attack

LD2808164396 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 28 Aug 96

[FBIS Translated Text] It has emerged that an irreconcilable opposition group of 20 armed men led by [rebel commander] Qori Abdujabbor has set up an illegal post near a spring in Qaynar village of Ragun [west central Tajikistan]. The group has for a long time been engaged in robbery and hostage-taking.

Members of the group fired on a passenger vehicle travelling from Dushanbe to Komsomolabad yesterday. Two police and three passengers were wounded in the shooting, taken prisoner, and abducted to an unknown place. Two passengers were killed by the attackers' fire, it was reported at the press center of the Ministry of Internal Affairs of the Republic of Tajikistan today [27 August].

Tajikistan: Government Troops Gain Control of Key Road

LD2808145196 Moscow ITAR-TASS in English 1332 GMT 28 Aug 96

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, August 28 (Itar-Tass) — The stand-off between Tajik government troops and armed opposition factions has eased in some of Pamir mountain areas of Tajikistan.

According to military sources in Dushanbe, Tajik rebels early on Wednesday left a stretch of a key motor road near Chavildara which was in their control from August 23.

This has stabilised the situation in the region, although the traffic on the road has not been reopened because the rebels left land mines behind them.

Independent sources said the rebels retreated because of munition shortages and failure of reinforcements to come from Afghanistan.

Tajikistan: Tursunzade Reportedly Calm, Functioning Normally

LD2808164696 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 28 Aug 96

[FBIS Translated Text] Various rumors are circulating about the situation in Tursunzade. We have received a report from reliable sources that the situation in this town is calm and normal. The town's markets and stores are working as before. Transport is functioning normally and the people of the district [Tursunzade] are working for the good of society.

Tajikistan: Armed Groups Begin To Hand in Weapons in Tursunzade

LD2908102796 Moscow ITAR-TASS in English 1018 GMT 29 Aug 96

[FBIS Transcribed Text] Dushanbe, August 29 (Itar-Tass) — Local armed groups in the city of Tursunzade, 57 km east of Dushanbe, began to hand in their weapons voluntarily to the authorities. Commanders of all the armed groups in the city agreed in principle on Wednesday to hand in voluntarily the weapons they carry illegally to representatives of the Tajik Interior Ministry, a reliable military source in the Tajik capital told Tass. A spokesman for the Tajik Interior Ministry told Tass, however, that they have not received so far any information from Tursunzade because of poor communication.

The situation in the city dramatically worsened as a result of a violent clash between two armed groups on the night of August 9. Each of them wanted to take the city under its control. Eight people died in the clashes and as many were injured.

A government commission for the localisation of the conflict and the removal of socio-political tension began to work in Tursunzade on August 16. It is headed by Vice Premier Ismat Eshmirzoyev. One of the tasks of the commission was to achieve the disarmament of the armed groups.

Tajikistan: Presidential Aide on New Electricity Prices

LD2908081496 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 28 Aug 96

[FBIS Translated Text] President Emomali Rakhmanov has signed a resolution to reduce the price of electricity for industrial enterprises. Presidential Press Secretary Zafar Saidov comments:

[Saidov] The president has signed the governmental resolution on tariffs on electricity and heating. In accordance with this, from 1 July this year the Barqi Tojik state power engineering company introduced new tariffs for heating and electric power. As a result of the resolution adopted by the government, the average tariff for electricity from 1 July this year is 0.58 U.S. cents, a 3.4-fold drop compared with 1995 and the first half of this year. An analysis of tariffs shows that the new ones are considerably lower than those in effect before 1 July this year. At the extreme end of the scale, tariffs have been reduced 4.5-fold for self-financing and nonindustrial consumers; that is, organizations not financed from the budget. I mean public organizations, research, planning and prospecting institutes, cultural and educational institutions, and others. The tariff has been considerably reduced for organizations and directorates, including [word indistinct] the Interior Ministry, 3.65-fold; for agricultural consumers 2.7-fold; and for industrial enterprises and commercial structures by half.

It is worth noting that maintaining tariffs for budget organizations, the population [words indistinct], communal services, and electrified transport in fact means that the drop has been insignificant, given inflation and the fall of the Tajik ruble over the September 1995-July 1996 period. Since 1 September last year, the currency [dollar] equivalent of the tariff for the population dropped 4.4-fold.

It is also worth noting that the Republic of Tajikistan has the lowest electricity tariffs today. If we compare our republic with neighboring Uzbekistan, electricity tariffs in the industrial sector are four times higher there than the average tariffs, and in communal services 27 times higher; in the Kyrgyz Republic 1.5 times higher; in the industrial sector and in the communal sector more than 17 times higher.

The Barqi Tojik state energy company has worked out differentiated limits for electricity consumption for the population: 100 kW per month and 150 kW per month for people using electric ovens. Electricity consumption exceeding these limits will cost five times the established tariff. It is planned to introduce this system of payments by the population from September this year.

Armenia

Armenia: Armenian Prisoners in Iraq Released

MM2808163096 Moscow IZVESTIYA in Russian 29 Aug 96 p 3

[Report by Gennadiy Charodeyev: "On Humanitarian Mission in Iraqi Jail"]

[FBIS Translated Text] Representatives of the Russian Embassy in Baghdad have visited the Abu Greyb [name as transliterated] prison to remove the handcuffs from prisoners A. Nazaryan and A. Simonyan and to tell them of the authorities' decision on their early release. The two Armenian citizens have been sent to Yerevan.

The story is "a long-standing, strange one," representatives of the Russian Foreign Ministry noted in a talk with your IZVESTIYA correspondent. For as yet unexplained reasons the Armenian "travelers" from Turkey illegally crossed over into Iraqi territory. They were arrested by border guards and after a series of interrogations handed over to the local special services. It is said that for a long time the people in Baghdad could not find an interpreter to translate from Armenian. However that may be, an Iraqi court sentenced Nazaryan and Simonyan to five years' imprisonment.

There are no diplomatic relations between Armenia and Iraq. But somehow the rumor of the strange Armenian prisoners reached President Levon ter-Petrosyan. Sergey Bablumyan, IZVESTIYA's correspondent in Yerevan, has reported that the head of the Armenian state took a personal part in the fate of the two prisoners — he repeatedly appealed personally to Saddam Husayn through international mediators asking for their release.

At the same time for several years Russian diplomats in Baghdad have been making attempts to reach agreement with the authorities on the release of the two Armenian citizens. According to Mikhail Demurin, deputy director of the Foreign Ministry department of information and the press, it was exclusively through the efforts of the Russian Embassy in Iraq that the Armenian prisoners' term of imprisonment was reduced by five months and that they obtained Iranian transit visas and the consent of the Iraqi authorities to organize the departure of Nazaryan and Simonyan from the country without the immigration formalities customary in such cases.

Armenia: Iranian Embassy Not Yet Officially Told of Killings

MM2808151696 Moscow TRUD in Russian 28 Aug 96 p 1

[Unattributed report: "Murder in Republic Square"]

[FBIS Translated Text] Yerevan — The Armenian authorities have yet to officially inform the Iranian side of the murder of two Iranian citizens on Saturday. This was said yesterday by a spokesman for the Iranian Embassy in Yerevan. "We do not know the identities or the passport details of those murdered," he said.

Meanwhile, according to the information available, the two Iranians — Hoseyn Shamsi and Hasan Zalmandi — were murdered on the evening of 24 August in Yerevan's Republic Square. Eye witnesses say that the man who shot them was dressed in a military field uniform with a soldier's belt. Immediately after the shots were fired, a car drove up at speed along the street adjacent to the square and the Armenian government building. It is assumed that the murderer made his getaway in this car. Cartridge cases from a Makarov pistol were found at the scene of the crime.

According to the information from the prosecutor's office, the two murdered men had been engaged in commercial activity. Shamsi mainly did business in Tbilisi and had only been in Yerevan for the last week. Zalmandi had lived here for the last 18 months. The former was killed on the spot; the latter died in hospital.

Criminal proceedings have been instituted and an investigation into the murder begun.

Armenia: Mass Media Report on Iranians' Murder

NC2808183196 Yerevan SNARK in English 1116 GMT 28 Aug 96

[FBIS Transcribed Text] Yerevan, August 28 (SNARK)—Although there is no official information about the murder of two Iranian citizens in the center of Yerevan on August 24, the Armenian mass media is trying to throw light upon the incident.

According to data given to reporters by a fellow-countryman of the killed, who was on the Republic Square at the moment of the murder, one of the killed had 3,000-8,000 U.S. dollars with him. However, Iranian businessmen in Yerevan think that the reason for the murder was not money, but a young Armenian woman, the niece of the murderer. If the reason was the money, they would have been killed right in the store, thinks one of the Iranians.

The Iranian Embassy in Armenia confirmed that over 200 Iranian citizens dealing in trade in Armenia, have sent a letter to the Embassy expressing protest against this incident. However, the rumors about their intention to boycott the trade operation were refuted. Answering the question if the Embassy is going to release a corresponding official statement, it was stated that the Embassy is in tight contact with the Armenian authorities.

Judging from the fact that some of the Iranian stores in Yerevan are already operating, the mourning declared by Iranian businessmen comes to an end.

Armenia: Communists To Oppose Ter-Petrosyan in 2d Round Elections

NC2408195596 Yerevan SNARK in English 1531 GMT 23 Aug 96

[FBIS Transcribed Text] Yerevan, August 23 (SNARK)—Sergey Badalyan, First Secretary of the Armenian Communist Party's Central Committee, stated at today's press conference that he believes in his victory during the upcoming presidential elections.

Expressing hope that the elections would be fair, Badalyan at the same time noted that methods of holding the elections are being already drafted.

Badalyan doubted that the opposition can draft a single program and put forward a single candidate. If Armenia's current President Levon Ter-Petrosyan and an opposition candidate remain after the first round, the Communist Party will vote for the opposition, Badalyan added.

Armenia: Communist Candidate Makes Campaign Promises

NC2708131196 Yerevan NOYAN TAPAN in English 1244 GMT 26 Aug 96

[FBIS Transcribed Text] YEREVAN, August 26 (Noyan Tapan)—"People need warmth and foods", Sergey Badalyan, First Secretary of the Central Committee of the Armenian Communist Party, a candidate for the Armenian presidency said at a recent news conference in Yerevan. He assured that if communists are at power, a system of free medical service and education will be immediately restored. He said his first decrees would be related to preparations for the winter period.

Badalyan described the current economic situation as appalling. According to him, the poor make up 95 percent of the population. Stressing that the Communist Party supports multipattern economy, Badalyan noted that if communists win in the September presidential race they will revise the privatization program. He stressed the necessity of restoring the industry and creating new job places. "Without this Armenia will lose Armenians and turn into a country of petty vendors", Communist Leader said.

Sergey Badalyan assured that when forming a new government he would take into account professional qualities of cadres working with the current government. Badalyan did not rule out that he would assume a post in the government, if another political force wins. But at the same time he stressed that he would never be a member of the government if the current authorities maintain their grip on power.

Admitting that the opposition in Armenia is weak, Badalyan opined that "it may be strong only in a democratic state". He also reported that the opposition is still split on the issue of nominating a single candidate.

Communist Party Chairman said that although the party is considered to be the largest in Armenia, it faces certain financial difficulties. The party earmarked insufficient amount of finances for election campaign because of financial difficulties.

He alleged that many Armenian public figures hold that the scenario of elections was prepared long ago. Badalyan opined that if there is runoff, it will be organized with the only goal — to create an illusion of democratic elections.

Armenia: People's Organization Renamed, Seeks Unification With RAPA

NC2708135996 Yerevan NOYAN TAPAN in English 1529 GMT 26 Aug 96

[FBIS Transcribed Text] YEREVAN, August 26 (Noyan Tapan) — People's Organization of Armenia had its second congress on Monday [26 August]. Congress amended the organization's statute and renamed it into People's Party (PP).

PP announced its support of Levon Ter-Petrosyan's candidacy at the presidential elections. "PP calls on its supporters and all Armenian people to support Levon Ter-Petrosyan's candidacy and views his further being in office as a safeguard for permanent political and economic reforms and welfare of future generations", the document reads.

Congress made a statement on PP's initiative to promote re-unification of Ramkavar-Azatakan Party of Armenia [RAPA]. PP was RAPA's third wing, then a democratic minority, and since 1995 was registered as "People's Organization".

PP's Chairman Petros Katsakhyan said that it is natural that RAPA's Republican Board, in particular new

Chairman Harutyun Karapetyan, must reconsider their stance in relation to RAPA's re-unification.

PP's second congress adopted a draft decision suggesting to start negotiations on re-unification.

Azerbaijan

Azerbaijan: Conference on Drug Trafficking Held; Statistics Given

NC2808142996 Baku TURAN in English
0858 GMT 28 Aug 96

[FBIS Transcribed Text] Baku/27.08.96/TURAN—A scientific-practical conference for the questions of illegal transportation and use of narcotics organised by the UNDP [United Nations Development Program] and the Cabinet of Ministers of the republic took place today in Baku. The conference discussed questions on the situation of narcomania and narcobusiness in the republic.

The people addressed said that profitable geographic situation of Azerbaijan is favourable for circulation of narcotics between Asia and Europe. According to the Head of the governmental legal department in the Office of the President Fuad Askerov, the situation in Azerbaijan is aggravated with the fact that illegal circulation of narcotics has already an international character. He noted the deficit of the legal basis, specialists and technical means for successful fight against narcomania in the country.

According to Askerov, 56.8 percent of the citizens of the country, involved in narcobusiness are unemployed.

18.8 percent of them are workers, 24 percent — office workers, 4.3 percent — peasants, and 20 percent — representatives of other structures of the population.

66 percent of people brought to trial in 1995 for illegal operations with narcotics were older than 30 years old. In 1995 more than 6,000 narcomen have been registered.

In 1995 the law enforcement bodies withdrew 254 kilo of opium, 203 kilo of marijuana and 43 kilo of hemp. Opium is brought to the republic from the Far Abroad, and heroine and cocaine — from the European part of the CIS. 98.3 percent of criminals has been disclosed.

The Minister of Interior Ramil Usubov told that compared with the year 1991 the number of criminals connected with narcotics increased by 3.3 times. In 1991 only 500 gram of narcotics was withdrawn, last year — 254 kilo was withdrawn. He also said that fields containing narcotic substances has grown in Azerbaijan. Last year 918 facts [as received] for elimination of these fields was registered.

The Minister said that the international dealers in narcotics try to find out the ways for transit of narcotics through Azerbaijan, as the traditional Balkans route becomes dangerous. Last year 92 foreigners were detained at the territory of Azerbaijan, 182 kilo of narcotics have been withdrawn from them. From the total number of the withdrawn narcotics 160 kilo have been taken from 44 citizens of Iran.

According to the Procurator General Eldar Gasanov the illegal circulation of narcotics through the territory of Azerbaijan occupied by Armenians, is very dangerous. The field grow and narcotics substances are produced in the occupied territories, he said.

According to the commander of border troops of the republic Abbasali Novruzov, not a single fact was registered in 1991 for transportation of narcotics, last year there were 31 such attempts.

The Minister of Health Ali Insanov said that more than 5,000 narcomen have been registered this year, last year their number was about 5,000. Only 3.5 dollars is allocated every year for treatment of every narcoman, whereas in Turkey — 1,500 dollars and in Israel — 2,000 dollars.

Paolo Lembo, the UN resident co-ordinator addressing at the session told that the UNDP would allocate USD [U.S. dollars] 500,000 for the UNDCP which is funding the programs for fight against narcomania and illegal circulation of narcotics in Azerbaijan. He said that the law enforcement bodies of the republic are not able to fight against narcobusiness.

The Executive Director of the UNDCP Georgio Giacomelli expressed satisfaction with the fact that Azerbaijan is on the way to the international co-operation in the sphere of the fight against illegal turnover of narcotics. He noted the necessity of creation of legal basis for fight against narcomania and narcobusiness.

Azerbaijan: Aliyev Pledges Support for Domestic Business

LD2308170496 Moscow INTERFAX in English
1500 GMT 23 Aug 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] President Geydar Aliyev has pledged effective support for local businessmen but warned against rising crime in the private sector.

He told a meeting of the local business world that the government's main task was to provide a legal groundwork for the promotion of private business.

Aliyev called for a joint quest of ways for developing entrepreneurial business and attracting foreign investment. He said there were perfect opportunities for this to happen, including internal stability and the democratic but firm principles of state management.

The president spoke of government allocations being made this year in support of entrepreneurial business and his plans to take other "effective steps in this direction."

But he complained about rampant crime in the private sector, including the practice of bribing government officials which were almost routine. Aliyev also accused unspecified government bodies of corruption and extortion.

Dud loans is one other big problem. Out of a total of 300 billion manats worth of loans extended by the National Bank in the past two or three years, only half was repaid. The International Bank of Azerbaijan (IBA) whose controlling package belongs to the National Bank extended $20 million worth of credits, but only $15 million of that amount was repaid.

Aliyev described as being absurd the fact that at a time of scant money supply, many people held substantial sums stashed away in foreign banks they had earned from export-import operations. He called for the repatriation of foreign deposits and placing them at the IBA and pledged government guarantees that these would be safe.

On privatization, Aliyev said foreign would also be allowed to take part in the process. He said talks were now under way on the transfer of several facilities into trust management by foreign companies.

The president said all local bakeries would be sold off into private hands by the end of next month as envisaged by the IMF-set privatization plan.

Georgia

Georgia: Caucasian Peoples Congress Warns of 'Dangerous' Escalation

LD2608212696 Tbilisi BGI in Russian 1800 GMT 26 Aug 96

[FBIS Translated Text] A statement of the Congress of Peoples of the Caucasus on relations between the South Ossetian republic and the Republic of Georgia:

We, the participants in the Caucasian peoples' grand forum, are closely watching the development of political processes in the state and social life of the Republic of South Ossetia, a fully-fledged member of the Confederation of Peoples of the Caucasus.

Considering it a priority of our activity to help resolve the settlement of any conflicts by peaceful and political means, we welcome the current measures taken toward negotiations between Georgia and South Ossetia. Moreover, the Confederation of Peoples of the Caucasus is ready to mediate at the negotiations.

However, we are alarmed by the fact that recently in the Georgian mass media certain Georgian officials have been making threatening statements about South Ossetia. We consider this to be a most dangerous manifestation of the escalation of the Georgian-South Ossetian conflict. We declare that it is inadmissible to use force in settling the conflict, especially military force. We also firmly declare, that if any attempt is made to resolve the Georgian-South Ossetian conflict by military means, then South Ossetia's interests will be protected by appropriate means, the members of the Confederation of Peoples of the Caucasus are on the side of the South Ossetians.

Although we recognize the positive role played by the Russian peacekeeping forces in this conflict and appreciate the economic aid rendered by Russia to South Ossetia, at the same time we do not approve of the political and diplomatic pressure put on the emerging republic in order to force it to become part of Georgia against its will.

We consider that all peoples, despite their numbers, have the right to freedom and national determination. The principle of territorial integrity cannot prevent peoples who have been subjected to all forms of violence from achieving their inalienable right to decide their destiny independently.

It is only the opinion of the South Ossetian people that must resolve South Ossetia's problems. This opinion was unequivocally expressed in the 1992 referendum, as well as in the resolutions of the South Ossetian people's two congresses (in 1991 and in 1993, resolutions "On restoration of historical justice and unification of the divided people").

The time has come when the leaders of Georgia must realize that the settlement of ethnic conflicts by forceful means is fraught with grave consequences, not only for the Ossetian and Abkhaz peoples, but for the Georgian nation itself.

[Signed] Yusup Soslambekov, leader of the Confederation of Peoples of the Caucasus; Israil Totoonti, secretary of the Congress of Peoples of the Caucasus.

Vladikavkaz, 25 August.

Georgia: Caucasian Peoples' Congress Appeal to Shevardnadze

LD2608213296 Tbilisi BGI in Russian
1800 GMT 26 Aug 96

[FBIS Translated Text] Address of the Confederation of Peoples of the Caucasus to Eduard Shevardnadze, the president of the Republic of Georgia.

Esteemed Mr. President! The Congress of Peoples of the Caucasus is very concerned over your nation's policy on Abkhazia and South Ossetia.

Having halted wars in South Ossetia and Abkhazia waged by the governing circles of Georgia, and having begun negotiations on the settlement of the conflicts, one could have hoped that you would have directed your efforts toward a peaceful settlement of the Georgian-Abkhaz and Georgian-South Ossetian relations, in accordance with the norms of international law and considering post-war realities.

Moreover, while you enjoy generous support of certain military and political circles in the West and in Russia, you have started to militarize Georgia. There is no doubt that the growing military potential of Georgia will be used against the peoples of Abkhazia and South Ossetia in order to force them back into the statehood of Georgia and restore the order of the former "small empire."

In order to justify your sinister plans, and in order to misinform the world, you have unleashed a wide-scale anti-Abkhazian and anti-South Ossetian propaganda campaign. However, armed aggression aimed at the enslavement of a nation, however small, cannot be justified. It is not difficult to forecast the tragic consequences of such policy for the peoples of the Caucasus, and first and foremost, for Georgia itself.

The peoples of the Caucasus are ready to live in peace and harmony with the fraternal people of Georgia. It is not a tradition of Caucasian peoples to make enemies of one another and to betray each other's interests. However, in order to restore stability and harmony in the Caucasus, it is necessary that your side too should use political commonsense and respect human rights, the rights of a people, and first and foremost, those of a neighboring people.

[Signed] Yusup Soslamebekov, leader of the Confederation of Peoples of the Caucasus.

Israil Totooni, secretary of the Congress of the Peoples of the Caucasus.

Estonia

Estonia: Security Plan Leading to Back-Door NATO Entry Viewed

LD2908113396 Tallinn Radio Tallinn Network in Russian 0600 GMT 29 Aug 96

[FBIS Translated Text] Kalle Muuli, editor-in-chief of the EESTI PAEVALEHT newspaper, has considered the subject of a certain secret plan which would ensure the Baltic states' security, which its author has provisionally called partnership for peace and which, in Mr. Muuli's opinion, was also discussed by the Defense Council at its recent sitting.

According to this plan, an imaginary line would be drawn on the map between the countries wishing to join NATO and those that will never join this military alliance. It is understandable that Estonia wants to stay on the western side of this line. Further, in the countries wanting to become NATO members, missions will be opened and several military units will appear which will be directly subordinate to the NATO bloc. In this way, Estonia may become an actual, if unofficial, member of the bloc. Linked to this also will be specific obligations providing security, since it is unlikely that NATO will allow any threat to its missions in the countries in which they are residing, including Estonia.

Although, during [Estonian President] Lennart Meri's meeting with German Chancellor Kohl, the latter indicated quite clearly that Germany opposes Estonia joining NATO, it is also necessary to consider that France, for example, has a different viewpoint. And this is something our president must take advantage of at the forthcoming meeting with the French president.

In any case, the author concludes that the partnership for peace is a much more attractive proposition than a Baltic security pact which would close its participants to a fraternal and strong union.

Estonia: Council To Elect President To Convene on 20 Sep

LD2808113596 Tallinn Radio Tallinn Network in Estonian 1100 GMT 28 Aug 96

[FBIS Translated Text] The election council will start work on electing [Estonia's] president on 20 September. This was decided by Toomas Savi, the speaker of the Riigikogu [parliament], today [28 August].

The sitting of the election council will start in the concert hall of the Estonia theatre in Tallinn at 1200 [0900 GMT] on 20 September, the Riigikogu press service reported. The election council, which is to elect president, will be made up of the 101 members of the Riigikogu and 273 local government representatives.

Estonia: Reform Party Parliamentarians To Vote for Meri

WS2908084596 Tallinn BNS in English 1600 GMT 28 Aug 96

[FBIS Transcribed Text] Tallinn, Aug 28, BNS — The council of the Estonian Reform Party/Liberals ruled on Wednesday that the party's MPs [members of parliament] will vote for incumbent Lennart Meri also in the next round of presidential elections, moved before a 374-member electoral college.

Toomas Savi, speaker of the parliament and a member of the council of the Reform Party/Liberals, said the decision was due to Meri's having secured the votes of the majority of MPs in the final parliamentary round of the vote. He said the outcome of the parliamentary vote was consistent with the people's preference, since all recent opinion polls show Meri in the lead with Arnold Ruutel tracing far behind.

Meri emerged 52-32 ahead of Ruutel in the third round of voting in the parliament Tuesday, while at least 68 votes were needed to get the president elected.

Savi declined to predict how big Meri's chances were to get elected by the 374-member electoral college on Sept. 20, saying only that Meri's chances continued to rise.

The parliament speaker confirmed again his refusal to himself run for president.

Several politicians have said the victory in the Sept. 20 vote by the electoral college may go to a third candidate not named yet.

Lithuania

Lithuania: Maritime Border Negotiations With Latvia Open

LD2708142996 Moscow ITAR-TASS in English 1332 GMT 27 Aug 96

[By Vladas Burbulis]

[FBIS Transcribed Text] VILNIUS, August 27 (Itar-Tass) — Another round of the Lithuanian-Latvian negotiations on the delimitation of the state border and boundaries of the economic zone in the Baltic Sea opened in Vilnius on Tuesday [27 August].

Contradictions between Vilnius and Riga over the delimitation of the maritime border sharply aggravated of late. Both countries claim part of the Baltic continental shelf which is expected to contained oil. Latvia signed an agreement with the U.S. company Amoco and the

Swedish ORAV on prospecting for oil and oil extraction in the disputed section of the Baltic Sea.

The Latvian Parliament has already embarked on the ratification of these agreements. Lithuania sharply protests against such actions and notes that prospecting for oil should begin upon the conclusion of the negotiations which are dragging out for over two years.

The latest meeting of the Latvian and Lithuanian negotiators was held in June 1996. The sides agreed that the next round will be held on July 20. The negotiations were put off, however, in connection with the sudden replacement of the head of the Latvian delegation.

Head of the Lithuanian delegation, Foreign Ministry Secretary Rimantas Sidlauskas believes today's round of the negotiations will not result in substantive progress. He believes there is no point in getting down to the negotiating table if there is no hope for success.

Lithuania warned Latvia that the ratification of the agreement with foreign companies by the Latvian Sejm will mean the violation of Lithuania's sovereignty and of international law. Vilnius promises to take "adequate measures." The "unbreakable unity" of Baltic countries, declared by the Latvian and Lithuanian leaders has no chance when economic interests are involved.

Lithuania: No Announced Results of Border Talks With Latvia

LD2808150696 Vilnius Radio Vilnius International Service in Lithuanian 0800 GMT 28 Aug 96

[FBIS Translated Text] The Latvian negotiating delegation, headed by Maris Riekstinis, the state minister at the Ministry of Foreign Affairs, held talks in Vilnius on 27 August. The talks lasted for one day. Maris Riekstinis has only recently taken on the duties of the head of the negotiating team and it was his first meeting with the Lithuanian delegation, headed by Rimantas Sidlauskas, deputy minister of foreign affairs.

The negotiations between Lithuania and Latvia on the Baltic Sea maritime border have been going on for more than two years with little success. Both countries are claiming the oil deposits, which are believed to lie in the disputed territory. The situation became more tense after Latvia signed an agreement with foreign companies on oil exploration in the disputed part of the Baltic Sea shelf.

The diplomatic tension became even more acute several weeks ago when the Latvian Parliament will try to ratify in the very near future an agreement on oil exploration with third countries. Lithuania, in its turn, has repeatedly stated that such ratification would seriously hamper the negotiations of both countries on the maritime border and economic zone [in the Baltic Sea] and would constitute a violation of international law.

After their meeting in Vilnius on Tuesday, the Lithuanian and Latvian negotiating delegations issued a brief press release, which said that the new Latvian proposals and the proposals put forward by Lithuania earlier were discussed at the open and friendly meeting. The heads of both delegations declined to talk about the details of the Tuesday meeting and explained that they have to report to their respective governments about the progress of the negotiations.

According to the head of the Latvian delegation and the state minister at the Ministry of Foreign Affairs, Maris Riekstinis, the Latvian Parliament will hear his report about the talks in Vilnius and will decide whether it should ratify the agreement with the Swedish oil company OPAB and the U.S. oil company Amoco on oil exploration in the disputed area of the Baltic Sea on 29 August.

Maris Riekstinis declined to reveal his own opinion on the subject. However, he recalled that last week the Foreign Affairs Commission of the Latvian Parliament suggested that the ratification of the agreement must be postponed. In his interview with our radio station on Tuesday in Vilnius, Maris Riekstinis noted that the ratification of the oil exploration agreement with the foreign companies is considered a priority issue in Latvia.

[Begin Riekstinis recording, in English, fading into Lithuanian translation] Latvia has repeatedly stated that the ratification of the oil exploration agreement with Swedish and American companies would not damage Lithuania's interests in any way, because this document will come into force only when the agreement on maritime border is reached. [end recording]

Rimantas Sidlauskas, the head of the Lithuanian delegation and deputy minister of foreign affairs told me that the Latvian deal on oil exploration with the Swedish and American companies will have significant influence on the maritime border talks between the two countries and would constitute a violation of international law.

[Begin Sidlauskas recording] During the negotiations, neither of the parties should take any action which may influence the negotiations.

Now, let me give you this example. Imagine two farmers on a plot of fallow land, intending to divide this plot between themselves. But then, one of the farmers starts cultivating some crops. As a result, the division of the land becomes more difficult.

The position of the Lithuanian Seimas [parliament], the ministry [of foreign affairs] and the government has been explained on more than one occasion. We do not want Latvia to ratify this [oil exploration] agreement, because if the Latvian Government approves the agreement with Amoco and OPAB, the area described in the agreement would be defined in a fixed manner which will be very difficult to alter for any Latvian negotiating team, because this territory will become part of the [Latvian] law. In other words, our counterparts may become even less flexible for the purpose of these negotiations. [end recording]

Before the meeting in Vilnius, the new head of the Latvian delegation, Maris Riekstinis, told journalists in Riga that he would propose the maritime border question be brought before an international court of law, if the parties fail to reach an agreement at least on the duration of talks.

The head of the Lithuanian delegation, Rimantas Sidlauskas, believes that the dispute being handed over to an international court of law is not a matter for the immediate future.

[Begin Sidlauskas recording] We must reach an agreement, because if we don't, both parties will loose. If this zone is promising in the sense of natural resources, then the utilization of these resources can be considered after the issue of border delimitation is tackled in a prudent manner and the agreement on the border is reached. Then, it [the currently disputed area] would be able to attract very significant investments to this region.

However, if we fail to reach this agreement, no self-respecting company would dare to take any practical investment steps in the disputed area. [end recording]

Lithuania: Dispute Over Baltic Shelf Oil Deposits Viewed

MM2808160296 Moscow IZVESTIYA in Russian 29 Aug 96 p 3

[Report by Nikolay Lashkevich: "Lithuania, Latvia, and... a Piece of the Baltic Sea Bed"]

[FBIS Translated Text] Vilnius — The ratification 29 August in the Latvian Saeimas of the license contract with American and Swedish oil companies Amoco and ORAV on prospecting the oil deposit on the Baltic shelf, whose ownership has not yet been established, has generated a new flare-up of the aggravation of Lithuanian-Latvian relations.

This time the country's supreme legislative organ — the Seima — has become involved in the dispute. It has sent its Latvian counterparts a message asking for the procedure of the ratification of the contract for studying and exploiting oil sources on the disputed areas of the Baltic Sea to be suspended Foreign Minister P. Gylys has threatened to take "appropriate steps" with regard to Latvia if the parliament in Riga ratifies the agreement.

An ordinary territorial dispute has already moved into the conflict stage although it would seem a trivial matter: There is not much oil on the shelf. According to Latvian specialists' preliminary assessments, for extraction to be economically justified they would have to extract 30-60 million tonnes of oil. It is believed that approximately this amount is present on the sea bed in the region where it is planned to drill. But Lithuania does not want to create a precedent. So for five years now it has been conducting hard talks on the border with Belarus and Russia. It is quite incapable of winning a similar dispute with Russia over the D-6 sea shelf situated not far from the Kurshskaya Kosa. Losing the "oil war" on two fronts means creating the preconditions for subsequent concessions and giving rise to public dissatisfaction.

Passions have already become so heated that forbidden methods have been brought into play. I. Emsis [name as transliterated], Latvian minister of state for environmental protection and regional development, has unexpectedly stated that Lithuania, in constructing an oil terminal in Butinge in the open sea not far from the Latvian border has allegedly violated the Helsinki convention: It is failing to provide information about the establishment under construction which presents an ecological threat and it is not allowing anyone to take part in a feasibility study of the project.

Moreover, reciprocal grievances have reached the level of petty squabbles. The Lithuanian Foreign Ministry, contrary to established tradition, after Atis Sjanitis, the new Latvian ambassador to Vilnius, had presented his credentials, did not organize a meeting with the Lithuanian prime minister and did not lay on the traditional dinner.

Lithuania: Seimas Chairman Cited on Relations With Belarus

WS2708142496 Minsk Radio Minsk Network in Belarusian 1200 GMT 27 Aug 96

[FBIS Translated Text] Belarus and Lithuania have a lot of common tasks which will have to be resolved in the immediate future, Lithuanian Seimas Chairman Ceslovas Jursenas has said at a news conference upon his return from Minsk after his short working visit to Belarus.

He told journalists that the neighboring countries will jointly tackle issues concerning migration and the protection of the common border. The Lithuanian parliament speaker emphasized that relations with Belarus are developing well and are stable and constructive. In his opinion, this will be fully demonstrated by signing an agreement between the two states which is currently being drafted.

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